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Israeli Environmental NGOs and Philanthropic Foundations: Donor Dependence, Organizational Characteristics, and Selection Mechanism

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Abstract
This study explores the external environment within which Israeli environmental nongovernmental organizations (ENGOs) operate, with particular attention to their relationships with, and dependence on, philanthropic foundations. A growing body of literature has been devoted in recent years to the importance of foundation philanthropy in support of ENGOs. Much of this literature focused on outcomes, but did not pay much attention to the processes leading up to such outcomes. In particular, little is known about the selection mechanisms involved in establishing links between donors and grantees. In Israel, where the empirical work of this dissertation took place, the environmental movement has been growing in the past twenty years, and the number of ENGOs is on the rise. One of the reasons for this success is the inflow of money from foreign donors, especially Jewish American philanthropic foundations. Yet, a study of ENGOs' funding sources that focuses on the centrality of foundation funding is lacking. This study fills both the theoretical and empirical gaps by exploring the question of resource mobilization and donor dependence among Israeli ENGOs. In particular, it assess three issues: the level of dependence of Israeli ENGOs on foundation funding, the organizational characteristics that are associated with an ENGO's success in receiving foundation funding, and the barriers to establishing links with foundation donors. A mix method research design is used to address these questions. A quantitative analysis of cross-sectional survey data from a sample of Israeli ENGOs (n=100) is used to assess the association between organizational characteristics and foundation funding. Four key organizational characteristics were examined: demographics, organizational structure, strategies of operation, and ideational characteristics (i.e., environmental paradigms). In-depth qualitative interviews with ENGO representatives were used to understand the barriers to foundation funding faced by non-funded ENGOs. The analysis suggests significant association of foundation funding with ideational characteristics and strategies of operation, and only a partial significant association with organizational structures. Based on the findings, a typology of foundation-grantee relationships is proposed, creating a nuanced understanding of the non-funded ENGOS, which are often overlooked in existing studies of donor-grantee relationships. Results contribute to theoretical literature on foundation philanthropy, to the emerging literature on philanthropy in Israel, and the study of Israeli ENGOs.

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ISRAELI ENVIRONMENTAL NGOS AND PHILANTHROPIC FOUNDATIONS: DONOR DEPENDENCE, ORGANIZATIONAL CHARACTERISTICS, AND SELECTION MECHANISM

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To my loved ones who stood by me:
Hila, Nadav, Roni
With appreciation

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ABSTRACT

ISRAELI ENVIRONMENTAL NGOS AND PHILANTHROPIC FOUNDATIONS: DONOR DEPENDENCE, ORGANIZATIONAL CHARACTERISTICS, AND SELECTION MECHANISM

Itay Greenspan

Femida Handy

This study explores the external environment within which Israeli environmental nongovernmental organizations (ENGOs) operate, with particular attention to their relationships with, and dependence on, philanthropic foundations. A growing body of literature has been devoted in recent years to the importance of foundation philanthropy in support of ENGOs. Much of this literature focused on outcomes, but did not pay much attention to the processes leading up to such outcomes. In particular, little is known about the selection mechanisms involved in establishing links between donors and grantees. In Israel, where the empirical work of this dissertation took place, the environmental movement has been growing in the past twenty years, and the number of ENGOs is on the rise. One of the reasons for this success is the inflow of money from foreign donors, especially Jewish American philanthropic foundations. Yet, a study of ENGOs' funding sources that focuses on the centrality of foundation funding is lacking. This study fills both the theoretical and empirical gaps by exploring the question of resource mobilization and donor dependence among Israeli ENGOs. In particular, it assess three issues: the level of dependence of Israeli ENGOs on foundation funding, the organizational characteristics that are associated with an ENGO's success in receiving foundation funding, and the barriers to establishing links with foundation donors. A mix method research design is used to address these questions. A quantitative analysis of cross-sectional survey data from a sample of Israeli ENGOs (n=100) is used to assess the association between organizational characteristics and foundation funding. Four key organizational characteristics were examined: demographics, organizational structure, strategies of operation, and ideational characteristics (i.e., environmental paradigms). In-depth qualitative interviews with ENGO representatives were used to understand the barriers to foundation funding faced by non-funded ENGOs. The analysis suggests significant association of foundation funding with ideational characteristics and strategies of operation, and only a partial significant association with organizational structures. Based on the findings, a typology of foundation-grantee relationships is proposed, creating a nuanced understanding of the non-funded ENGOS, which are often overlooked in existing studies of donor–grantee relationships. Results contribute to theoretical literature on foundation philanthropy, to the emerging literature on philanthropy in Israel, and the study of Israeli ENGOs.

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CHAPTER 1:

Introduction: The Challenges of Israeli Environmental NGOs

This study explores the external environment within which Israeli environmental nongovernmental organizations (ENGOs) operate, with particular attention to their relationships with philanthropic foundations. A growing body of literature has been devoted in recent years to the importance of foundation philanthropy in support of ENGOs. Much of this literature focused on the impact of foundation funding on supported organizations, but did not pay much attention to the processes leading up to such outcomes. In particular, little is known about the selection mechanisms involved in establishing links between donors and grantees.

1.1. Specific Aims

In the past twenty years, the Israeli environmental movement has been growing rapidly, and environmental NGOs (ENGOs) became increasingly visible and influential (Karassin, 2001; Tal, 2002). A key to this success has been the inflow of money from foreign donors – especially American Jewish philanthropic foundations. Yet, an in-depth study of ENGOs' funding sources with an understanding of the centrality of foundation funding is still lacking. Little is known, for example, about the mechanisms involved in cultivating links with donors, or about the organizational characteristics that determine success in tapping foundation resources. The goals of this study are therefore to explore the question of resource mobilization and resource dependence among Israeli ENGOs, and to examine the external environment within which Israeli ENGOs operate, with particular attention to their relationships with Jewish American philanthropic foundations.

Beyond an illustrative study of Israeli ENGOs, a theoretical model is proposed, identifying the selection mechanism between foundations and grantees as an unexplored construct. My goal is to understand whether foundations consistently favor environmental groups with certain organizational characteristics over others in their grant-making decisions. The study's main research questions are: 1) to what degree are organizational characteristics (of Israeli ENGOs)

associated with success in being selected to receive funding from philanthropic foundations? 2) To what degree are organizational characteristics of Israeli ENGOs associated with the level of dependence on foundation funding? And 3) what difficulties and barriers do Israeli ENGOs face in securing and mobilizing foundation funding? In the next chapters, I explain and justify the choice of these questions in greater detail. These research questions are explored in three analytical parts, each addressing a different specific aim:

Part I - **descriptive**: Israeli ENGOs and their funding sources. This part examines the revenue sources of Israeli ENGOs, with particular attention to the centrality of philanthropic foundations in the revenue pie. Although the analysis focuses on private philanthropic foundations, reference to other actors involved in financing ENGOs is provided in order to contextualize the analysis. A descriptive analysis of ENGOs' revenue sources allows me to compare and contrast organizations receiving different levels of foundation funding, including those who receive none. Such description serves as the background upon which the subsequent parts of the study are built.

Part II – **quantitative**: ENGO organizational characteristics and foundation funding. This part of the study explores the questions: (1) what ENGOs' organizational characteristics are associated with success of being selected by a foundation to receive funding, and (2) what organizational characteristics are associated with levels of dependence on foundation funding. Using survey data from one hundred Israeli environmental NGOs, four types of organizational characteristics – structural, ideational (paradigms), demographic, and strategies of operation – are explored to inform a quantitative analysis of these questions.

Part III – **qualitative**: The selection mechanism. This part of the study supplements the quantitative component to gain a more nuanced understanding of the selection mechanism between donors and grantees in the context of the Israeli environmental movement. I contemplate on the idea that there are 'winners' of foundation funding, but also 'losers' – those that do not receive foundation funding, and argue that the non-recipients are not a universal group. Interviews are used to explore the organizational barriers to NGO-foundation relationships,

the various perceptions within the organizations about their relationships with foundations, the selection mechanisms involved in the establishment of relationships between foundations and grantees, and the underpinning of the NGO-foundation selection processes as identified in the theoretical chapter.

1.2. Research Significance

The study is of importance on several grounds. In the Israeli context, it provides a narrative of the role of philanthropic foundations in building Israel's environmental movement from a single organization in the 1950s to the current complex web of national, regional and local groups. Such a narrative can be of value to environmentalists and their supporters and to academics interested in the study of Israel, its social movements, and its relations with Jewish diaspora. Second, while the study provides an in-depth analysis of foundation funding to one field of activity within Israeli civil society, findings can be relevant to other areas where organizations mobilize resources from foundation donors. This would add to the limited literature about foundation philanthropy in Israel.

A cross-country analysis necessitates taking into account distinctive social, cultural, political, and ideational factors in both the donor and recipient countries. Although the Israeli social milieu is well rooted in global processes of production and consumption, trade, environmental protection, and the building of civil society, it still labors under a volatile regional conflict, distinct ethno-religious ideological roots (Jewish, Zionist), and unprecedented attention of the world's media. Theorizing the relationships of Israeli ENGOs with philanthropic foundations presents an opportunity for understanding the interplay of complex socioeconomic and political factors, and their impact on the relations between organizations in the donor and recipient countries.

More broadly, the study makes three contributions to literature about the impact of foundation funding to social change NGOs. **First**, it pays explicit attention to the selection processes involved in the relationships of foundations and grantees. Much has been written on the outcomes of foundation support to social change NGOs, but less so on the selection processes involved. The notion of selection is important for the understanding the survival and demise, and

the viability and sustainability of organizations. In particular this is true for ENGOs because of their high dependence on foundation funding. In competitive 'markets' with organizations competing for similar and limited resources, understanding which organizations have better chances of receiving foundation funding as compared to others is vital.

Second, the study provides a cross-country perspective on the influence of American foundations on non-American grantees, while most previous studies were American-based (e.g., Bosso, 1995; Brulle, 2000; Brulle & Jenkins, 2005; Delfin & Tang, 2007, 2008; McCarthy, 2004). The **third** contribution is a state-level analysis of foundation-ENGO relationships. While previous studies documented segments of a larger picture (e.g., Delfin & Tang, 2008), due to the relatively small scale of the country, an Israel-based study allows implementation of a nation-wide census of ENGOs, which is less feasible elsewhere.

The study can also be of interest to NGOs in thinking through the likely influences of their donors on their organizational structures, processes, organizational identity, and outcomes. Findings can help ENGOs in their efforts to cultivate relations with new and existing donors and also in their efforts to diversify the financial resource base. Finally, the study findings can assist foundations in understanding their impact on grantees, allowing for the development of wiser decision-making procedures regarding their grants and philanthropic behavior.

1.2.1. Why Focus on ENGOs?

Philanthropic foundations have been involved in issues of environmental conservation and preservation since the early 20th century (Brulle & Jenkins, 2005; Dowie, 2001). Over the years, the diversity of issues addressed and funded, and the number of involved foundations, grew significantly. Many ENGOs seek funding from philanthropic foundations either on practical grounds – because they face challenges in generating their own funds or accessing government resources while foundation grants are more readily available – or on ideological grounds – because they share similar goals and values with the foundations (Hunsaker & Hanzl, 2003). Yet, some argue that although foundations have been instrumental for the sustainability of ENGOs, the organizations eventually pay the price of a foundation's coercive influence on their mission,

composition, and agenda (Brulle & Jenkins, 2005; McCarthy D. , 2004). Indeed, a handful of works have been written on the impact of foundation philanthropy on ENGOs (Bartley, 2007; Brulle, 2000; Brulle & Jenkins, 2005; Delfin & Tang, 2007; 2008; Dowie, 2001, Ch. 5; Faber & McCarthy, 2005; Lowry, 1999; McCarthy, 2004; Wing, 1973).

1.2.2. Why Focus on Israeli ENGOs?

Israeli ENGOs experienced an upsurge in popularity and effectiveness in the past two decades (Karassin, 2001). One key reason for this upsurge has been an inflow of money from foreign donors, especially Jewish American philanthropic foundations, but the financial situation of these ENGOs has not been explored in-depth. Israeli ENGOs, like any other nonprofit organization, garner financial resources from various sources, including government, individual donors, foundations, membership dues, or commercial enterprises. Of these various funding sources, many of the ENGOs are highly dependent on foundation funds, while expressing an interest to diversify their revenue stream. While in the US, foundation grants were estimated to make up 15–25% of the total revenues of the 87 leading national ENGOs (Brulle, 2000), in Israel foundations sometime provides funds up to 90%, and 100%, of the revenues for some ENGOs (Karassin, 2001; Rinat, 2008; Waldoks, 2008). On average, as this study finds, 40% of the budgets of Israeli ENGOs comes from foundation donors. Yet, an empirical study of ENGOs' funding sources with an understanding of the centrality of foreign foundation funding is still lacking. Thus, studying this unique case is valuable.

1.3. The Challenges of Israeli Environmental NGOs

Three accounts provide a point of departure for this study, as they portray a distinctive Jewish American influence on Israeli environmental nongovernmental organizations (ENGOs). The first concerns the long-established relationship between Israeli nonprofit organizations and the North American Jewish diaspora, including individual donors, Jewish federations, and private philanthropic foundations. This relationship has recently received renewed attention because of the negative implications of the global economic recession and the Madoff Ponzi scam on Jewish

donors and their beneficiaries (Kershner, 2009; Hellman, 2009). A detrimental act of a single man, discovered at the height of an economic crisis, besmirched the field of Jewish philanthropy, leading to the cancellation of programs and even the closure of several Jewish foundations.

This 'crisis' in the external environment, upon which many Israeli nonprofit organizations depend, not only led to a decline in financial inflow to beneficiary organizations, but also jeopardized the operations of Jewish American philanthropic institutions (Katz & Yogev, 2009a; Schmid & Rudich, 2009). A 2008-survey of 220 Israeli nonprofits found that 81% of them experienced financial difficulties: 13% considered closing, 20% have dismissed employees, and another 15% were considering doing so in the near future (Katz & Yogev, The Israeli third sector and the economic crisis: New findings from the "Observation to the Third Sector" project, 2009a). In a follow-up survey a year later, 74% of respondents attributed their financial hardships to shrinking foreign philanthropic giving (Katz & Yogev, 2009b).

Some of the strategies used by NGOs to respond to the financial crisis were to increase the charges for provided services, to encourage board members to become more involved in fundraising (Katz & Yogev, 2009b), to seek support from local donors (Rinat, 2008), to get involved in coalitions and alliances (Schmid & Rudich, 2009), to streamline operations or merge (Hellman, 2009),[1] and to temporarily shrink activities in anticipation of better days (Rinat, 2008). Perhaps the most significant implication of the crisis for Israeli nonprofits has been their need to confront, question, and re-assess their long-established dependence on American donors' largess (Kershner, 2009). Israel's financial liaison with Jewish diaspora has been enduring since well before the establishment of the state in 1948 (Haski-Leventhal & Kabalo, 2009; Schmid & Rudich, 2009). But for the most part, it has been unidirectional, based largely on "Jewish giving and Israeli taking" (Kershner, 2009). Therefore, crises like the one Israeli NGOs have faced in the past few years provide a good critical juncture for re-thinking and strategizing long-established assumptions and practices.

[1] Nonprofit mergers were not a legal option in Israel until recently, but a law allowing such mergers was approved in 2009.
[2] Ben-Eliezer (1998) provides an example of such corporatist order in Israel: After the 1992 national elections, a new Minister of the Environment empathetic to ENGOs was appointed. As a result, connections with environmental groups were spearheaded, ultimately curtailing criticism and contentious activism by those groups. "Their protest," Ben-Eliezer

This economic crisis has posed a particular challenge for Israeli ENGOs because of their high dependence on foundation revenues. While Israeli nonprofits, on average, receive about 60% of their budget from government sources (Salamon, Sokolowski, & List, 2003), it is estimated that the major source of funding for ENGOs is philanthropic foundations. Media sources suggested that some ENGOs receive up to 90% of their revenues from foreign, mostly Jewish, foundations (Heruti-Sover, 2006; Rinat, 2008; Waldoks, 2008a; 2008b). A survey of ENGOs held in 2000 among 51 ENGOs also found a growing dependence of ENGOs on foundation funds (Karassin, 2001). However, no comprehensive study of ENGOs' revenue base and their dependence on foreign funding has been done so far. In light of the economic crisis, and the continued expansion and diversification of Israeli ENGOs, a detailed study to determine the current state of affairs is necessary.

A second account is a 2009 philanthropic initiative by the Jewish Funders Network (JFN) and the Goldman Fund in support of Israeli ENGOs. Excerpts from a press release provide depiction of the initiative (JFN, 2009):

> *New York, NY; September 15, 2009 -- The Jewish Funders Network (JFN) recently awarded 24 grants to 13 non-profit Israeli environmental organizations in a matching grants initiative sponsored by The Richard and Rhoda Goldman Fund, generating more than $1.5 million for the Israeli environmental movement.*
>
> *In March 2009, The Richard and Rhoda Goldman Fund, a major funder of environmental issues worldwide and a leading funder of this cause in Israel, partnered with JFN and announced that it was offering $750,000 in matching grants to support environmental causes in Israel. "For many years, few other funders took an interest in Israel's environment," said Richard N. Goldman, President of The Richard and Rhoda Goldman Fund. "We saw this matching gift as a means to energize funders to consider environmental projects in Israel and draw attention to the innovation that is driving new solutions there.*
>
> *[…] Despite the harsh economic climate and deep cutbacks in grantmaking, JFN received more than 35 applications from independent philanthropists and private and public foundations during the six-month period of the matching grant program. More than two-thirds of the applicant donors were first-time funders and more than a third were Israeli funders. "Time and again we see that even in a tough environment, funders will respond to opportunities to accomplish more with their money," said Mark Charendoff, JFN's President. "Leveraging funds makes a lot of sense when you need to do more with less.*

The initiative demonstrates the ongoing relationships of ENGOs with American Jewish funders, and the differential success of ENGOs in receiving foundation funding; 24 out of the 35 applications were funded in this case. In other words, ENGOs are in competition for limited

resources and are subject to a selection process conducted by the donors, a process in which, ultimately, there are winners alongside losers.

The third account portrays contemporary environmentalism in Israel as a manifestation of "Israeli activism American-style," in which ideologies, values, and organizational cultures imported by Jewish American immigrants to Israel are cultivated and flourished in Israeli social change organizations, including ENGOs (Laskier, 2000). This portrayal has been briefly noted in previous scholarship (Glazer & Glazer, 1996; Morag-Levine, 2001; Tal, 2002), and has re-emerged in media coverage prior to the 2009 Israeli national elections. Several American-born Israelis (and other Anglo-Saxons) captured an unprecedented number of leadership roles in two green parties, which competed for seats in the Knesset – the Israeli parliament (Ahren, 2009; Spiro, 2009; Waldoks, 2008b). The candidates highlighted their American upbringing and its influence on their environmental beliefs and value systems, as well as their long history of involvement in extra-parliamentarian environmental activism and Jewish-Arab coexistence in Israel. These issues were influential in their decision to get involved in the national election and further the environmental agenda at the national policy level.

Three observations can be drawn from this account: first, that there is a fragile environment within which Israeli ENGOs operate; second, that within this fragile environment, financial, ideological, and organizational links purportedly exist between American Jewish philanthropic foundations and Israeli ENGOs; and third, that these links are reinforced by the presence of agency – individuals who arguably shape those links. In other words, three (f)actors are interacting within one organizational field: environment, institutions, and individuals.

In the following chapters, I zoom into the realm of foundation-grantee relationships to identify, develop, and test, a model of selection in which foundations select their grantees, or grantees are being selected. Methodological, theoretical, and historical background considerations precede the findings.

CHAPTER 2:

Israeli Environmental NGOs and American Jewish Foundation Philanthropy

The love affair between American Jews and Israel is only skin deep: American Jews admire Israel for her body, while Israelis are attracted to American Jews for their money (Shlaim, 1993)

2.1. Chapter Overview

This chapter describes the two major institutional players in the field of inquiry: Israeli environmental non-governmental organizations (ENGOs) and American Jewish philanthropic foundations. The first section (2.2) focuses on historical and contemporary developments in the Israeli environmental movement and the major changes it has undergone since the early 1990s. It also identifies the sources of support for ENGOs, especially the importance of Jewish philanthropy and foundation funding. The second section (2.3) provides an historical account of Jewish philanthropy to Israel followed by a focus on private foundation philanthropy, which is a relatively new institutional form of Jewish philanthropy. The review includes a portrayal of American Jewish philanthropy and the various transitions it has experienced, with special attention to private Jewish foundations, and foundation motivation for giving (2.5). Finally, synthesis of these two streams is suggested (2.6), presenting existing knowledge on philanthropic foundations supporting Israeli environmental organizations.

2.2. The Israeli Environmental Movement and Israeli ENGOs

In Israel, the environmental movement has been gaining prominence and visibility only in the past two decades. Most scholars identify two major phases in the development of the environmental movement: before the 1990s and from the 1990s until today (Tal, 2002; Vogel, 1999; Weinthal & Parag, 2003). The year 1990 marked the beginning of a phase in the history of the Israeli environmental movement in which most ENGOs were founded. This section describes the two phases of development.

2.2.1. Early Years of Israeli Environmentalism

ENGOs – the building blocks of the Israeli environmental movement – came into the social and political scene, and gained power and visibility, only since the early 1990s. This is a relatively late blooming compared to the US and other Western countries where the "environmental revolution" had been underway since the 1960s and the 1970s (e.g., (Brulle, 2000; Diani, 1995; Gottlieb, 1993; Rucht, 1989). It positions Israel as an "environmental laggard" not only vis-à-vis its environmental policies (Vogel, 1999) but also in its level of development of environmental activism.

Until the late 1970s, no more than four Israeli ENGOs were thought to exist (Yishai, 1979). The first environmental group – the *Society for Protection of Nature in Israel* (SPNI) – was established in 1954 and since then has been the most prominent player in the Israeli environmental arena (Tal, 2002). The other three were: the *Public Council for the Prevention of Noise and Air Pollution* (est. 1961), Life and Environment (est. 1974), and the Council for a Beautiful Israel (est. 1968). This is in addition to two quasi-governmental organizations, the Jewish National Fund (JNF) and the Nature Reserve Authority (NRA). Like their Western counterparts, Israeli ENGOs of the 1970s focused their work on conservation, beautification, and nature protection. When Israel's Law of Associations was enacted in 1980, requiring nonprofits to register with the Associations Registrar, only two out of 413 registering associations were ENGOs; two years later, the number rose to eleven (Haski-Leventhal & Kabalo, 2009).

The early-established ENGOs differed from their equivalents in other countries, as well as from those established in Israel in later years, on four counts (Yishai, 1979; Morag-Levine, 2003):

- Source of inception: established by elite institutions - governmental bodies or parliamentary elites. Even the grassroots SPNI still "abhorred conflict with state institutions" (Morag-Levine, 2003, p. 457) and aligned its activities with government ideology (Vogel, 1999).
- Membership base: none, except for the SPNI which was a grassroots initiative with several thousand members
- Revenues: Reliance on government funding

- Strategies of operation: neither confrontational strategies nor litigation to advance their goals. For example, when the *Public Council for the Prevention of Noise and Air Pollution* carried out a campaign against government policies that was viewed as being too aggressive, it was forced to "change its tactics to more 'peaceful' ones, including the acceptance of donations from major polluters" (Yishai, 1979, p. 210). However, Tal (2002) and Vogel (1999) described an SPNI-organized campaign opposing housing development and mining in Mt. Carmel as the first influential mass protest in Israel.

The late blooming and the non-confrontational nature of Israeli ENGOs in the first phase can be attributed to the socio-political conditions of that era: the dominance of a corporatist regime, a collectivist Zionist ideology, and the prevalence of political and security issues that took precedence. A corporatist tradition denotes that collective goals set by the state are sanctified or viewed congruently by all policy players (Schmitter, 1974). Environmental groups under such conditions will tend to avoid explicit conflict with the state, pose no challenge to dominant national interests, and ultimately become reliant on state funding and be co-opted by the state (McCarthy, Britt, & Wolfson, 1991).[2] ENGOs, like other civic groups, accepted the collective state-led Zionist ideology, which sanctified and valued an "ethos of development" (De-Shalit, 1995; De-Shalit & Talias, 1994; Vogel, 1999). In this ethos, the natural environment was glorified and protected only as long as it did not collide with nation-building and development efforts. Otherwise, the environment was viewed as a resource only that can be subdued to human development needs. By relying on "technological optimism" (Tal, 2008), the State would control the natural environment and transform it into a "prosperous" one (De-Shalit & Talias, 1994, p. 291). In those early years of Israeli environmentalism, Western environmental ideologies that dominated environmental movements in the late 1960s were slow to diffuse into Israeli society (Ignatow, 2008).

[2] Ben-Eliezer (1998) provides an example of such corporatist order in Israel: After the 1992 national elections, a new Minister of the Environment empathetic to ENGOs was appointed. As a result, connections with environmental groups were spearheaded, ultimately curtailing criticism and contentious activism by those groups. "Their protest," Ben-Eliezer wrote, "was absorbed, toned down, and restrained" (p. 387).

2.2.2. The Second Phase of Israeli Environmentalism

Beginning in 1990, a wave of new Israeli ENGOs emerged, marking the entry of Israeli environmentalism into its second phase. It has been difficult to enumerate ENGOs in the USA (Brulle, Turner, Carmichael, & Jenkins, 2007). Alas, even in a small country like Israel, there is no single dataset with a comprehensive listing. In 1996, the number of environmental groups was estimated at 43 organizations (Bar-David & Tal, 1996), and a 2001-survey listed 72 ENGOs affiliated with *Life and Environment* – an umbrella group of ENGOs in Israel (Karassin, 2001). By 2008, the number of members in this umbrella group had grown to 106 (Life and Environment, 2008). Recent estimates of Israeli ENGOs are in the range between 100 and 150, most of which were established in the second phase. The major changes in Israeli environmental NGOs since the 1990s are:

2.2.3. The "End of Integration": From Corporatist to Pluralist Society

Description of the SPNI in two studies by Yael Yishai effectively demonstrates a sea change in the organization (Yishai, 1979, 2001 as cited in Morag-Levine, 2003, pp. 490-1). In the early study, SPNI was positioned as a compliant actor to Israel's corporatist culture, stating that the organization "prides itself for being one of 'deeds' (i.e. positive actions) rather than of 'pressure' by spreading the love of nature among many young Israelis" (Yishai, 1979, p. 210). In the later account, however, a formerly compliant organization changed to be described as "applying militant strategies to counter political decisions" (Yishai, 2001, p. 149). The SPNI not only changed its strategies but also its organizational structure: it opened new departments with experts and professional staff and, notably, became the only ENGO to self-generate its revenues (Oser, 2010), reducing reliance on government or foundation support.

This example illustrates not only SPNI's organizational transformation, but also that of the State. It epitomizes Israel's "end of integration" (Yishai, 2001) and transition from corporatist regime to a more pluralist society. A corporatist governance, dominated by a closed policy network and centered on collective ideology, was replaced with new "sub-politics" (Beck, 1997) in

which interest groups, the media, private corporations and civil society, all play a role in policymaking and social change (Zalmanovich, 1998).

The effect of this change on NGOs was significant. Since the 1980s, Israeli civil society has witnessed substantial expansion and a greater role in the political process (Gidron, 1997; Gidron, Bar, & Katz, 2004; Yishai, 1991, 2003). A proliferation of 'new associations' who work for social change through litigation and advocacy as their primary strategies was recorded (Ben-Eliezer, 1999; Kaufman & Gidron, 2004; Laskier, 2000; Payes, 2003). The rise of new ENGOs with greater diversity of organizational forms and strategies is part of this trend. Grassroots organizations (Ofir-Gutler, 2005), ENGOs coalitions (Ginsburg, 2007), joint Israeli-Palestinian ENGOs (Schoenfeld, 2005; Zwirn, 2001) and Jewish-Arab ENGOs (Benstein, 2005) have all been established as part of this trend.

Others attributed this surge in civil society to Israel's 1980 *Law of Associations* (Gidron, 1997; Yishai, 1991), to the optimism that prevailed in Israel in the years following the Oslo Peace Agreement with the Palestinian Authority (Kaufman & Gidron, 2004), and to the global "associational revolution," in which proliferation of nonprofits is the outcome of government entrenchment and contracting out its responsibilities to private – profit or nonprofit – providers (Salamon, Sokolowski, & List, 2003; Smith & Lipsky, 1993). Finally, the rise in advocacy NGOs is also due to an increased involvement of foundations and other funders, like the New Israel Fund (NIF), in support of Israeli civil society (see below).

2.2.4. From Nature Protection to Quality of Life and Environmental Justice

The Israeli environmental movement has undergone a constructive transition over its 50-year history. While the early environmentalism embraced primarily nature protection and conservation agendas, it has transitioned into a diverse force in public discourse, shifting its original narrow conservation focus into a broad 'quality of life' vision. Recognizing the high level of urbanization in Israel (over 92% of the population live in urban areas), the newer ENGOs, as a whole, targeted more of their attention to environmental problems in urban areas, addressing issues of concern to most Israelis (Ginsburg, 2007; Schwartz, 2009). Transportation, industrial air and water pollution,

degradation of open spaces, economic well-being and quality of life became high on ENGOs' agendas (Schwartz, 2009; Tal, 2002). The environment, in other words, included a broader conception of natural and social environments. In addition, ENGOs were set up by and increased representation among various social sectors: immigrants, religious orthodox, Arab Israelis, students, and even settlers in the West Bank (Karassin, 2001; Schoenfeld, 2005; Zwirn, 2001). Local-level ENGOs emerged, some in opposition to development plans, which posed a threat to the health of local residents, and others in search of a better quality of life (Schwartz, 2009). As Orenstein described (2007):

> *Environmentalists increasingly considered public health hazards and the close proximity of poorer communities to environmental hazards. The classic campaigns for open spaces were reframed in terms of the right of all Israelis to access public land for recreational and aesthetic reasons. Public access to ecological resources became a unifying concept that brought traditional environmentalists, inner city activists, Arab citizens, religious groups and others together in common cause.*

With this shift in issues addressed also came professionalization of the environmental field. According to a study by the Israeli Central Bureau of Statistics (CBS, 2010), in the year 2006, ENGOs spent, on average, 48% of their budgets on salaries for employees, second only to 'education & research' (74%), and 'welfare & human services' (52%). This is a sign of professionalization of the field, and growing number of people employed by environmental organizations.

2.2.5. From Elite Founders to American Immigrants

If in the first phase, elite institutions were behind the establishment of ENGOs, the new era brought the influence of American immigrants on organized environmentalism (Glazer & Glazer, 1996; (Tal, 2002, p. Ch. 11). American-born Israelis were involved in numerous environmental endeavors, engaging in what Laskier (2000) termed "Israeli activism in American style". For example, American-born Alon Tal was the founder of the *Israeli Union for Environmental Defense* (IUED) in 1990 and the *Arava Institute for Environmental Studies* (AIES) in 1996. These are two leading ENGOs – the former uses litigation and advocacy, and the latter education, activism, and regional collaboration to affect environmental change. Another two American-born Israelis - Eilon Schwartz and Jeremy Benstein – led and still lead the *Heschel Center for Environmental Learning*

– a key player in developing the philosophy behind the environmental scene in Israel. As Glazer and Glazer (1996, p. 282) write:

> A disproportionate number of these activists are former Americans who migrated to Israel in recent years with sophisticated concerns about the environment and some strategies for organizing local movements. They joined a small cadre of older naturalists and academics who remembered the beauty of the land in the 1930s and 1940s.

American immigrants brought with them a culture of activism and democratic pluralism (Laskier, 2000). Equipped with these 'tools' but facing a clan-like Israeli politics, which favors the collective and excludes the 'other,' Americans found themselves at the forefront of extra-parliamentary activism (Silver, 1994). They became the "pioneers" in struggles for civil and human rights and environmental issues on the liberal side of the spectrum, and in the West Bank settlements from the other side of the spectrum. Further contributing to this phenomenon is a general "Americanization" trend in Israeli culture (Aronoff, 2000; Azaryahu, 2000).

2.2.6. From Government Funding to Foundation Philanthropy

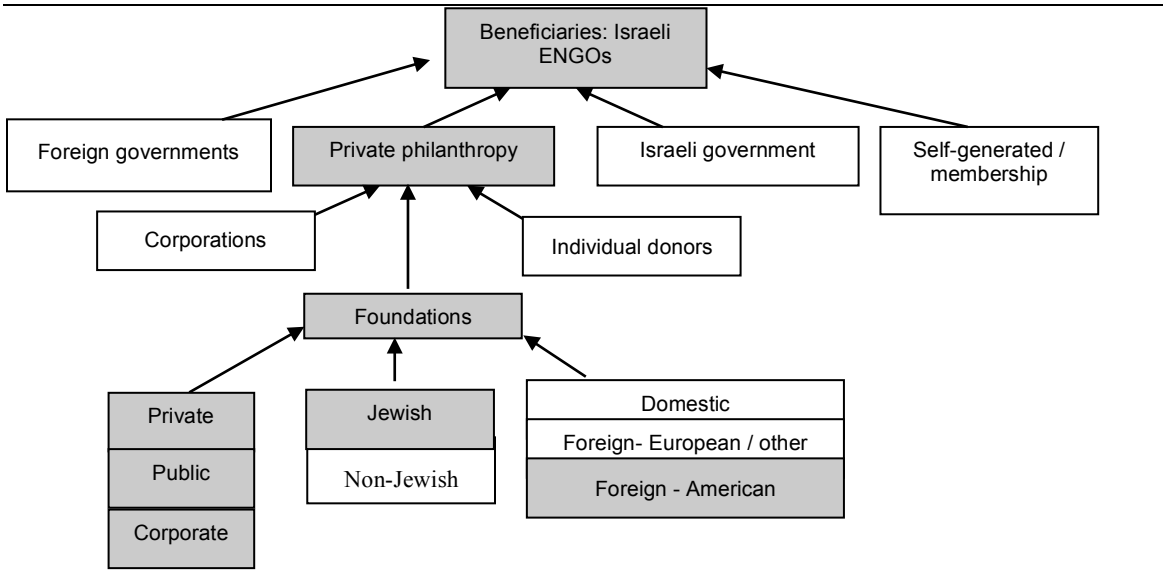
As the new ENGOs were no longer solely the creation of the elites and the approach they took involved oppositional advocacy, the levels of financial support from the government declined. Lacking the benefits of government support, the ENGOs were in search of alternative sources of funding. Figure 2.1 displays a diagram of the potential funding sources – including government, private donors, membership dues, or commercial enterprises – from which ENGOs can garner financial support. The highlighted boxes in the diagram represent the sources of funding at the center of this study. Past data about the sources of ENGOs' financial resources has been unsystematic. Karassin (2001) found that 30% out of the 51 organizations surveyed in her study solicited some contributions from Israeli individual donors, and in 50% of the organizations, membership fees existed, yet the share of these sources out of ENGOs' total budget was insignificant.

What is clear is that many ENGOs increasingly relied on the support of private - primarily Jewish - philanthropic foundations as a much-needed resource for their financial survival. The financial reliance on philanthropic foundations became an accepted norm. As Karassin (2001, p. 131) writes:

> Naturally, the lion's share of funds in support of ENGOs arrives from private sources and foundations. Foreign foundations contributed significantly to the flourishing of the environmental movement since the 1990s by financially supporting the organizations' activities, without reliance on government or corporate funds.

This quote begets the question should reliance on foundation funding be a 'natural' course of action for ENGOs?

Figure 2.1: Funding sources of Israeli ENGOs



Laskier (2000, p. 133) offered that the dependence on foundation grants could be attributed to "the scarcity of professional fund-raisers and to cultural factors." Although dependence on foreign donors indeed has its roots in the historical-cultural tradition of Jewish diaspora philanthropy to Israel (Gidron, 1997; Gidron, Bar, & Katz, 2004), the argument that lack of fund-raising capacity is a source of foundation dependence requires validation. Literature on the financial practices in nonprofit organizations suggests that reliance on a single source of funding is risky for both the survival of an organization and its independence (Froelich, 1999). The freedom from government and corporate dependence notwithstanding, dependence on foundation funds is not risk-free; it can equally come with strings attached (Barman, 2008) to the

detriment of organizational dependence. Beneficiaries of foundation funding become subjected to donor pressure and influence, a topic I elaborate on in the next chapter.

Morag-Levine (2001) used the term “bifocal strategy” to describe the risk of foundation influence on beneficiaries. Examining the case of the ENGO *Israeli Union for Environmental Defense (IUED)*, she argued that while the organization was directing its advocacy efforts inwardly within Israel, it relied on American foundations for financial support and in order to receive donor legitimacy, the organization became more accountable to influential donors than constituents. However, the recent global economic crisis put to risk the continued flow of foreign funding to Israeli ENGOs and demonstrated the risks of reliance on foreign funds (Rinat, 2008; Waldoks, 2008a). This has forced ENGOs to re-think the need to diversify revenue sources and move away from reliance on foundations only.

ENGOs’ increasing reliance of foundation support is in line with a general trend in Israel of foreign philanthropic foundations becoming the prime supporter of Israeli advocacy NGOs whose mission and goals run against government policy or those NGOs dealing with controversial social issues such as the Mideast peace process, human rights, and even environmental issues (Berkovitch & Gordon, 2008; Gidron, Schlanger, & Elon, 2008). Financially, advocacy NGOs hardly benefit from membership fees or government funding, and hence rely significantly on external private sources: Jewish and non-Jewish private foundations, foreign state entities (largely European), and individuals. Of these sources, the key financial patronage has been foreign Jewish private foundations and individuals (Gidron, 1997; Gidron, Bar, & Katz, 2004; Jaffe, 1992). See more details in section 2.4.

Gidron and his colleagues (2004) identified Diaspora Jewish philanthropy as one of four major forces influencing the size, structure and nature of the Israeli third sector. Jaffe (1992), referring to Diaspora philanthropy, stated that, “it is obvious that many Israeli nonprofit organizations would wither without these funds” (p. 171). It was estimated that in 2008, as much as NIS 18.69 billion was given to nonprofit organizations by Israelis and Jewish philanthropy. This constitutes 18% of the sector’s revenue (CBS, 2009). Whereas the lion’s share of donations was

gifts from abroad, Diaspora and other foreign philanthropy accounted for only 55% of total philanthropy; the remainder was comprised of Israeli giving on the part of individuals, corporations and foundations (Schmid & Rudich, 2009). The literature, in other words, has characterized the Israeli nonprofit sector as well developed but financially dependent. One of the goals of this study is to empirically validate this trend among Israeli ENGOs.

In sum, this sub-section briefly reviewed the development of Israeli ENGOs, their organizational transformations, and ENGOs' current dependence on foundation funding. The next section presents an analysis of the supply side: the institutionalization of American Jewish philanthropy and the growing presence and support of Jewish foundations in Israel. In its conclusion, the two courses link up into an account on Jewish foundation-support to Israeli ENGOs.

2.3. Institutionalization & decentralization of Jewish Philanthropy to Israel

2.3.1. International Foundation Philanthropy

American foundations have been active players in international affairs since their emergence in the early 20th century (Bremner, 1996; Hall, 1992, 2005; Karl & Katz, 1987). The Carnegie, the Ford, and the Rockefeller foundations, or the "big three" as they were known in the 1960s, were the focus of many of the studies on American foundations in the international arena (Arnove, 1980; Arnove & Pinede, 2007), with American Jewish foundations getting some consideration too (e.g., Curti, 1963, Ch. 4, 8). After the 1969 Tax reform that regulated foundation operations, stagnation and re-organization have been recorded in foundation activity for about two decades (Frumkin, 1998). However, since the 1990s, foundations are enjoying a renaissance – on the ground and in the literature (Aksartova, 2003; Anheier & Daly, 2007; Anheier & Leat, 2006; Anheier & Toepler, 1999; Hewa & Stapleton, 2005; Kiger, 2008; Stacey & Aksartova, 2001). "Countries as different as the United States, the UK, Australia, Japan, Italy, Germany, Sweden Turkey, and Brazil are displaying renewed interest in creating foundations" (Anheier & Leat, 2006, p. 6). So is the case in Israel (Gidron et al., 2006; Gidron, Schlanger, & Elon 2008).

With a worldwide explosion of new foundations, the levels of international foundation giving rose too (Aksartova, 2003; Anheier & Toepler, 1999; Renz, 1998). In 2007, for example, foundation giving for overseas purposes reached an estimated record of $5.4 billion, with growth rates faster than overall foundation giving (Foundation Center, 2008a).[3] About half of this money was channeled through US-based organizations. Among the factors contributing to this upsurge was the entrance of the Gates Foundation into the international arena, the increasing levels of funding by some of the other large foundations, and the international response to natural and humanitarian disasters around the world, such as the Indian Ocean tsunami (Foundation Center, 2008a).

2.3.2. Israel's Share of International Foundation Philanthropy

Over the years, Israel has been the leading single country to benefit from grants that are channeled through third-party US-based NGOs (Foundation Center, 2008a; Renz, 1998). In 2006, for example, Israel was "the beneficiary of more international grants (825) and grant dollars ($106.4 million) awarded to U.S.-based international programs than any other country in the world" (Foundation Center, 2008a, p. 7). This is up from about $30 million in 1994 (Renz, 1998). Indeed, Schmid and Rudich (2009, p. 2) defined Israel as "the largest importer of foreign giving among the developed countries." In a list of the top fifty non-U.S. recipients of American foundation grants, five organizations – or ten percent - were Israeli; the highest-ranked Israeli organization (*Avi Chai*) was fourth on this list (Foundation Center, 2008b). These data imply that Israel represents "a unique case among countries" (Renz, 1998, p. 513), yet with special significance because foundation involvement in Israel began decades before the process of globalization (Gidron et al., 2006). Estimates by Israeli sources suggest even higher figures: $1.5 billion in 2002 (Gidron, Schlanger, & Elon, 2008), and $ 2.4 billion in 2008 (Schmid & Rudich, 2009). These, however, represent all foreign philanthropic giving to Israel rather than by foundations only.

[3] This growth notwithstanding, international grant making was only 22% of overall foundation grants allocated in 2006 (up from 11% a decade earlier; Renz, 1998). Kiger (2008, p. xi) estimated that "only some 500 or 600 of the approximately 10,000 of U.S. larger independent foundations … make grants abroad." Aksartova (2003) found that only 0.32% of total foundation grants between 1988-1996 were directed towards international peace initiatives.

Surprisingly, the literature on international giving of American foundations has little analysis about Israel. The precise amounts of American Jewish giving to Israel is also missing. There has been some, albeit sparse, analysis on this topic, by Israeli scholars (e.g., Gidron et al., 2006; Gidron, Schlanger, & Elon, 2008; Haklai, 2008; Haski-Leventhal & Kabalo, 2009). There is also a rich literature on Jewish philanthropy, but it includes all forms of giving, including individual giving, rather than focusing on Jewish foundations only (Wertheimer, 1997). As such, neither of these bodies of literature has focused exclusively on Jewish foundation philanthropy to Israeli ENGOs.

Another gap is enumeration of philanthropic foundations operating in and for Israel. Foundations active in Israel are subject to registration and reporting by Israeli law. However, in addition to these registered foundations, many other foundations – estimated at over 1,500 – are based in other countries but operate and make grants to Israeli organizations (Gidron et al., 2006).[4] A survey of 288 Israeli philanthropic foundations makes this picture even more complicated as it found that 67.5% of Israeli foundations' revenues come from foreign sources (CBS, 2009), pointing to the high dependency of the Israeli nonprofit sector on foreign funding.

This suggests that the burgeoning of foundation activity in Israel reflects of several trends or motivations: 1) continuity and change in the philanthropic patterns of American Jewish diaspora; 2) a growing political interest of other players, including international foundations in Israeli affairs and in "what goes on in Israeli society, which they define as a social testing ground" (Gidron, Schlanger, & Elon, 2008, p. 28); 3) economic conditions in Israel and donor countries; and 4) personal preferences of foundation founders to environmental causes.

2.4. American Jewish Philanthropy to Israel: A Historical Account

To understand the involvement of philanthropic foundations in Israel, I begin with a historical background of general trends in Jewish philanthropy in support of Israel. Jewish diaspora philanthropy to Israel is not a new phenomenon. For many decades, it has been a vital source of

[4] One directory of foundations published in 2001 estimated that 3,000 foundations are active in Israel (Jaffe, 2001). Yet, it contained mostly Jewish foundations. A more recent study of foundations in Israel – so far the most comprehensive– found 6,377 registered foundations and funding organizations, of which only 3,854 (60%) were active in 2002 (Gidron, Schlanger, & Elon, 2008; Gidron et al., 2006).

revenue for the survival for nonprofit organizations in Israel (Gidron, 1997; Gidron et al., 2003; Jaffe, 1992). Estimates of the extent of contemporary diaspora philanthropy vary, but the range of these estimates – between $1.5 billion and $2.4 billion a year – is undoubtedly substantial, especially in Israeli terms (Gidron, Schlanger, & Elon, 2008; Schmid & Rudich, 2009). Indeed, Jewish diaspora philanthropy has been identified as one of four major forces influencing the size, structure, and nature of the Israeli nonprofit sector along with the State, organized Jewish religion, and labor unions (Gidron et al., 2003, p. 43).

While Jewish diaspora philanthropy to Israel is not a new phenomenon, it has evolved over time. Historically, diaspora Jews considered it a religious and moral obligation to provide financial and in-kind support to the small Jewish communities of learners living in the Holy Land (Eliav, 1978; Gidron, 1997; Gidron, Bar, & Katz, 2004; Haski-Leventhal & Kabalo, 2009; Jaffe, 1992). Then, as the Zionist movement took root in the late 19th century, Zionist sympathizers from the diaspora expanded their philanthropic motivations beyond the religious, to include support for the establishment of Jewish settlements and Zionist national institutions (e.g., the Jewish Agency), as well as support for the development of welfare services run by local associations (Eliav, 1978; Gidron, 1997). Large donors – such as Baron Rothschild and Baron Hirsch – emerged as influential philanthropists supporting this enterprise. In addition, hundreds of fundraisers, who came from Palestine and traveled between Jewish diaspora communities to raise funds for their communities, competed over limited pool of money.[5] These philanthropic initiatives, nonetheless, were still individualistic or communal arrangements, resembling contemporary 'diaspora philanthropy' (e.g., Johnson, 2007; Merz, Chen, & Geithner, 2007) more than the 'modern' fundraising / grant-making system, dominated by philanthropic foundations.

2.4.1. Institutionalization

In the 1920s, as the American Jewish community became more established, so has philanthropy to Israel become more institutionalized. For over 50 years – from the 1920s and well into the 1970s – Jewish diaspora philanthropy was channeled through, and dominated by, a

[5] Non-Jewish donors were active in Palestine in that period too. For example, the Rockefeller foundation was active in Israel as early as 1921 and foreign governments invested in services and infrastructures to have their presence in the Holy Land.

federated and centralized system of fundraising abroad and funding distribution in Israel (Gidron, 1997; Haski-Leventhal & Kabalo, 2009). North American Jewish Federations have been carrying out annual fundraising campaigns, or "appeals", through which they collected, in good years, as much as one billion dollars a year.[6] Part of every year's appeal was distributed to serve the needs of Jewish communities in America (mutual aid), and part went to support Israel and other Jews around the world through quasi-governmental agencies such as the United Jewish Appeal, the Jewish Agency, and the Jewish National Fund (Hoffman, 1989; Jaffe, 1987; Solomon, 2005). In 1994, for example, the UJA distributed $350 million of the federations' annual campaign (Wertheimer, 1997). The allocation of money transferred through this system went for the most part to projects and organizations, which are sympathetic to the government, and which are part of the Zionist nation- and state-building (Gidron et al., 2006, p. 36).

2.4.2. Decentralization and Designated Giving

Since the early 1980s, changes in Israel and in North America have transformed the characteristics of Jewish diaspora philanthropy from an exclusively federated and centralized system, to a more diverse and decentralized schema (Hoffman, 1989; Jaffe, 1987; Solomon, 2005; Schmid & Rudich, 2009; Steinberg, 2002). In America, this transformation can be attributed to two trends: *the Americanization of Jewish philanthropy,* and *the rise of designated giving.*

First, in the early decades of the 20th century, Jews were excluded from American elite society and therefore focused their giving primarily on Jewish organizations. However, as Jews won greater social acceptance in American society, Jewish donors assimilated their giving behavior to the norms of American elite: an increased giving to universal, non-religious causes, mostly cultural institutions and universities, came at the expense of donations to Jewish causes (Ostrower, 1995, Ch. 2). Jewish philanthropy went through an "Americanization" process (Tobin, 2004).

Second, the emergence of a generation of young Jewish donors who were no longer wiling to blindly support either the federated and bureaucratic philanthropic system or the destination of

6 Jewish Federations are collectives of mutual aid and services above and beyond the religious life centered in the congregation that can be found in major American cities.

the funds if determined primarily by the Israeli government and its priorities. Congruent with a prevalent trend in the nonprofit world of donors' demand for greater transparency and accountability over donation spending (e.g., Ebrahim, 2003; Murray, 2005), Jewish donors sought greater accountability, greater knowledge of where their money is channeled, and a more direct connection to the recipients (Wertheimer, 1997). The bureaucratic federated organizations did not supply these donor demands and hence donors expressed a growing disenchantment regarding the federated system. It was seen as "inefficient, politicized, and archaic," with its major dispensing institutions seen as "expensive, top-heavy relics of the early Zionist movement" (Jaffe, 1987, p. 27). Instead, donors shifted to the practice of *designated giving*, where they could have greater control over the destination of their money (Cohen & Eisen, 2000; Wertheimer, 1997, p. 80). Jewish philanthropists could direct more and more of their giving to institutions with which they feel personal association.

As a result of these two trends, a noteworthy decline was recorded in the relative size and importance of giving to the federated system. The proportion given to Israel out of the total federated giving has been declining too (Cohen & Bubis, 1998; Haski-Leventhal & Kabalo, 2009; Ostrower, 1995, Ch. 2; Solomon, 2005; Tobin & Weinberg, 2007; Wertheimer, 1997). As mentioned earlier, a coinciding development has been taking place in Israel too: a proliferation of new associations, signaling a growing pluralism within Israeli civil society (Ben-Eliezer, 1999; (Gidron, Bar, & Katz, 2004). These "new associations" searched for alternative funding solutions, which they found in the shape of foreign donors – Jewish and non-Jewish alike.

2.4.3. The Emerging Alternatives

Private Jewish foundations. Parallel to the upsurge in American private foundations, a similar growth has been recorded in the number of Jewish foundations in recent decades. In 2000, Massing (2000) estimated that more than 4,000 private Jewish foundations existed; five years later, the estimate reached 10,000 (Solomon, 2005). The majority of these foundations are small size, family-run, and with no staff. Nevertheless, 24% give away more than $250,000 a year, and increasingly professional staff is being sought to facilitate their management (Solomon, 2005). Only a relatively small number of these foundations donate the major portion of their total giving

to Israel (Tobin & Weinberg, 2007). Of the 800 foundation members in the Jewish Funders Network (JFN), 322 stated giving to Israel as one of their missions and goals (Leibovich-Dar, 2003).

Tobin and Weinberg (2007) defined a Jewish foundation as a foundation established by a Jew, which implies neither giving to Jewish causes nor giving to Israel. However, this definition has serious challenges, some of which have been raised by Solomon (2005, p. 101):

> *Is it a foundation whose principal is/was Jewish? Whose board is primarily Jewish? Whose historic giving patterns were primarily to the Jewish community? Exclusively? Somewhat? Must its charter specify a Jewish purpose? Is a foundation Jewish if founded by a Jewish principal whose distributions throughout the first generation were for the benefit of Jewish causes but today is governed by the heirs who are no longer Jewish and who no longer support Jewish causes? What if that foundation gives exclusively to Israel causes? What if those Israel causes support the 18 percent of the Israeli population who are Arab?"*

In addition to these definitional challenges, there is a paucity of reliable data as to numbers, dollar values, and impact of these foundations, and only estimates exist.

Grant-making public charities are incorporated nonprofits that receive donations from multiple donors – individual and institutional – and channel it directly to beneficiaries in Israel. These charities are subjected to neither the influence and politics nor the high operating costs and bureaucracy of the federated apparatus. The New Israel Fund (NIF) is the best example of this form of philanthropy. The NIF fundraises mostly in the US and disburses money to Israeli NGOs, based on pre-determined goals. The NIF openly supports what it regards as 'progressive causes' in Israel, such as minority, women, and immigrant rights, peace initiatives, and environmental issues. The NIF sponsors SHATIL, an organization that provides technical assistance and organizational consultation to Israeli nonprofits.

Matching grants initiatives in support of Israeli nonprofits that have been launched in recent years by the *Jewish Funders Network* (JFN). Founded in 1991, the *JFN* is an umbrella membership organization designed to provide networking opportunities and respond to the needs of the new Jewish foundations set up in recent decades, in both the US and Israel. Members are private foundations and individual donors who give as little as $25,000 a year or as much as $50

million a year. These initiatives are unique in so far as they provide matching grants to an entire *field of activity* through an application process, rather than the common practice of matching funds to specific organizations based on donor's choice. In 2010, a matching grant initiative to benefit Israeli ENGOs was launched as a partnership of JFN and the Goldman Fund.

Tzedakah collectives are another form of alternative Jewish communal giving somewhat similar to community foundations. Examples include the now-defunct *Shefa Fund* (merged with *Jewish Funds for Justice*) and the *Ziv Tzedaka Fund*. These collectives were created in order to circumvent the large federation campaigns and as a means of expanding fellowship activities into the domain of charitable giving, where normally private decisions about how much each person should give could be explored collectively. These collectives pool resources from small donors who have a particular ideological outlook and generally favor causes on the left of the political spectrum. Collective members strive to donate 1-2% of their incomes to the fund (Wertheimer, 1997).

Direct giving to Israeli organizations. The advantage of this option is that it allows donors to bypass all institutionalized venues. The shortcoming of this option lies in the fact that if the recipient organization is not registered in the US, private donors have little incentive to donate directly to an Israeli organization because in this way no tax credit is guaranteed. To overcome this problem, two options have been developed:

1) The "friends of" organization is a philanthropic model in which Israeli NGOs open a US-based registered 501c(3) nonprofit through which funding can be channeled to the Israeli mother-organization. Through 'friends of' organizations, tax-deductible donations are channeled directly from American donors to Israeli organizations. In recent decades, hundreds of such organizations have been founded to direct money to nonprofits in Israel. Several Israeli environmental NGOs – like the SPNI, the Arava Institute for Environmental Studies and the Heschel Center – have established in recent years 'Friends of' organizations in the US to tap the emerging donor market of designated giving. The number of existing American Friends organizations increased from 265 by the end of the 1980s to 436 by 2000 and 667 by 2010 (Fleisch & Sasson, 2012). In 1994,

'friends of' organizations helped to raise $550 million, compared with $200 million in 1985. In 2007, the sums have more than doubled to over $1.7B (Fleisch & Sasson, 2012, p. 9).

2) The PEF Israel Endowments Fund: American individual or institutional donors who wish to transfer funds to Israeli nonprofits not through any foundation or 'friends of' organization may use the services of this registered nonprofit, which serves as a 'pipeline' for fund transfers to (usually) small Israeli nonprofits. PEF provides services with no overhead, and the donor can still benefit from a tax credit.

Solomon's (2005, p. 104) account provides an appropriate summary of the above review of the more innovative forms of contemporary Jewish philanthropy: Philanthropy is becoming more hands-on, with donor involvement going beyond simply writing out checks. Donors are holding their own foundations and the community to higher standards of accountability. They not only seek greater involvement in decision making about how their money is used but they also want to monitor the impact and effectiveness of its use. These dynamics will continue to create conflicts between systems of collective responsibility and the emerging entrepreneurial foundation generation.

2.5. What Motivates Jewish philanthropy to Israel?

Philanthropic giving, in particular to Israeli nonprofits, is an integral part of diaspora Jewish identities. These gifts provide donors with inputs in the form of highly valued religious, social, and communal characteristics. To the extent that individuals identify with the community, become involved in its activities, and develop close ties to its members and leaders, they are likely to give more to the causes it supports. They are likely to do so as a form of self-expression, as a way of securing a position in the community, and/or in order to construct a personal or public identity. Personal preferences of foundation founders or senior staff influence foundations' grant-making decisions (Renz, 1998). This is especially true for smaller foundations. In the case of Jewish philanthropy to Israel, some of the leading motivations are summarized below.

2.5.1. Ethno-Religious: Jewish Identity and Philanthropic Behavior

Jewish identity is widely understood to be a complex identification with religious beliefs and practices, with a historic people and culture, and with a socio-political ideology of social justice (Cohen, 1998; Legge, 1999; Liebman & Cohen, 1999; Sharot, 1997). This multidimensional identity can be manifested in different ways depending on the particular aspects of Jewish identity highlighted by individuals and organizations.

Supporting and connecting with the state of Israel can be linked to any one of the three dimensions of Jewish identity. Motivation to support Israel can be seen as a religious obligation by those who consider Israel an aspect of a redemptive religious process "the first flowering of our redemption," as the prayer for the state of Israel recited in synagogues puts it. Alternatively, support can be based on what Sheffer (2002, p. 343) called "symbolic-cultural factors," such as a strong sense of common history and perceptions of Israel as the historical place of origin of the Jewish people. Finally, attachment to Israel can be based on liberal values and the perception of Israel as a small, beleaguered, democratic nation worthy of Western support (Liebman & Cohen, 1999).

Tobin (2004) identified three Jewish values underlying the religious motivation of Jewish philanthropy: 1) the idea of Tzedakah is a long and deep rooted religious imperative in Judaism of providing support for those in need, Jews and non-Jews alike. Tzedakah is associated with the word Tzedek – justice in Hebrew – which implies the close link of charity to righteousness. 2) A reinforcement of ethnic, cultural and religious identity: Israel is perceived as a spiritual center, where Jewish culture and tradition is kept and cultivated. 3) "The refuge motive" (Kleiman, 1996) maintains that as many Jews still feel the need to hedge against external threats, support to Israel is a form of self-protection from such future threats. Some feel that despite Israel's own security problems, its existence is a refuge for them in case of crisis.

2.5.2. Political

Although religion is still an important motivation of Jewish giving, American Jews give significantly less to religious causes than other Americans (Ostrower, 1995). In addition to the ethno-religious perspectives, as a country at the spotlight of international affairs, foundation funding to Israel is also politically motivated. Berkovitch and Gordon (2008) argued that foundations' funding decisions are in line with, and a reflection of, the political stances of their governments on the Israeli-Palestinian conflict. Analyzing the funding sources of Israeli human rights NGOs, they found that European donors (predominantly government-affiliates or church-affiliated foundations) supported NGOs that are more critical of Israel (advocates for the rights of Palestinians in the Occupied Territories), while American donors (mostly private Jewish foundations) were overall less critical of Israel, supporting human rights NGOs that operate within Israel.

Haklai (2008) argued that Jewish foundations are motivated both by their Jewish identity and their American liberal values in their decision to fund Israeli organizations. Focusing on American Jewish foundations that are making grants to Palestinian NGOs operating within Israel, he contemplated whether the decision to support Palestinian NGOs emanates from and is a reflection of one of two motivations: 1) American-style liberal values of universal human rights and minority rights that should be exerted in Israel too, or 2) Jewish parochialism: a desire to control and moderate NGO criticism in order to ensure a continued Jewish hegemony in Israel. He concluded that these two motivations are not zero-sum. Rather, grounded in a mix of pluralistic values with a strong Jewish identity and commitment to Israel, foundations view the support to Palestinian NGOs as "both normatively desirable and strengthens Israel as a whole because it facilitates the minority's integration into Israel's society and bolsters its civic culture, and therefore, it also contributes to the country's security" (Haklai, 2008, p. 581). The ability to absorb these seemingly conflicting motivations into a unitary philanthropic act represents a change process that American Jewish philanthropy has undergone (Levi, 2009).

Haklai's conclusion is similar to an argument made by Sheffer (1986) more than twenty years ago: Jewish diaspora communities are influenced by values acquired in their host countries (the US), values which are not always aligned with the public and political realities prevalent in their homeland (Israel). It also connotes that fundraisng by diasporic communities on behalf of their homeland is not motivated by pure altruism; rather, it brings into play a cross-cultural/trans-state network of diaspora, homeland, and host country players with their values and motivations attached.

2.5.3. Economic

Tax deductible benefits in the US and investment opportunities in Israel are additional motivations that guide philanthropists in their giving (Kleiman, 1996). Corporate giving programs overseas are motivated by a wish for exposure in global markets (Renz, 1998, p. 515). These, however, cannot explain the particular interest in Israel as opposed to investments or giving for other causes or in other countries. The Americanization of Jewish philanthropy is reflected in this motive too, given that, increasingly, Jewish donors view philanthropy as an economic tool for managing wealth.

2.6. Synthesis: Philanthropic Foundations Supporting Israeli ENGOs

In 2007, American foundations gave $1.2 billion for environmental issues. This is only 5.7% of the total foundation giving that year. Excluding the contributions of the Gates Foundation, international grants for environmental issues are ranked second in 2006 (after international development), constituting 12.5% of the total grants. Of which, it is estimated that $123 million were awarded for global climate change. Between 2002 and 2006, there was 80% growth in dollar grants for environmental causes internationally. The question is, then, who are the foundations supporting environmental issues in Israel?

There are about 300 foundations in Israel, which employ at least one professional. Most of them are foreign (Jewish or non-Jewish) foundations that employ local representatives. Alongside the major private foundations, there are philanthropic activities of individuals from Israel and

overseas, as well as hundreds of foreign-based foundations which do not have a local representative.

No single source exists documenting all foundations supporting Israeli ENGOs. Gidron and colleagues (2008) found that environmental issues received the attention of 8 out of 18 foreign foundations in their sample (n=28) but only one out of 9 Israeli foundations. Haski-Leventhal and Kabalo (2009) listed the Andrea and Charles Bronfman Philanthropies (ACBP) / CRB foundation and the Beracha Foundation as two private Jewish foundations supporting environmental issues in Israel. These sources portray an anecdotal picture only of a relatively small yet diverse field of foreign foundations supporting Israeli ENGOs: American and European, collaborations and independent, and mostly private Jewish family foundations. These foundations are involved in various ways in supporting Israeli ENGOs but the extent of their funding support since the early 1990s and the selection mechanisms involved have not been systematically investigated so far. Overall, foundations active in support of Israeli ENGOs can be categorized into three tiers:

2.6.1. Tier 1: "The Big Three" Foundations

This tier includes the Beracha Foundation, Goldman Fund, and the Green Environment Fund (GEF). The Beracha Foundation is active in support of environmental initiatives in Israel since 1997. The amount in donations it gives -is around $1m yearly. Its flagship project is the establishment of the largest urban park in Israel – the Ariel Sharon Park – at the site of Hiriya, the now-defunct large dumpsite. The Richard and Rhoda Goldman Fund is an American-based environmental foundation, with representation in Israel since 1996. The foundation supported over the years many environmental ENGOs. Its flagship project has been the multi-year general support to the ENGO Israeli Union for Environmental Defense (IUED), which is an environmental group promoting environmental issues through legal action and advocacy, similar to the American ENGO Environmental Defense Fund.

The third central foundation is the Green Environment Fund (GEF), which is a partnership between the public charity the New Israel Fund, the Nathan Cummings Foundation, the Andrea and Charles Bronfman Philanthropies (ACBP), and the Morningstar Foundation. GEF was

founded in 2001 “to bring new attention and resources to the campaign to preserve and protect the environment of Israel and the health of its people” (GEF, 2007). In 2007 alone, GEF awarded grants in the amount of $1.27 million to several local and national ENGOs. GEF also funds community/grassroots environmental initiatives through the Sheli Fund. Sheli Fund’s grants are a source of funding to many grassroots ENGOs, but amounts are normally low, insufficient to sustain an organization’s entire activity. To date, the fund has distributed over 6 million NIS.

2.6.2. Tier 2: Medium-Size Foundations

In addition to the ‘big three’ that give support to multiple ENGOs, the medium-sized foundations also have a strong presence among environmental groups, by giving their support to many of them. Among the foundations in this tier are the German foundations: Heinrich Boell Stiftung and Friedrich Ebert Stiftung, the British Porter Foundation, the Israeli Tal Fund and Yad HaNadiv, and the American Gimprich Family Foundation.

2.6.3. Tier 3: Small Foundations

This tier includes different small foundations that either support a single environmental group on long-term bases, or provide support to several organizations but not on a regular basis. Examples include Levi-Lassen Foundation, Naomi & Nehemiah Cohen Foundation, the Kathryn Ames Foundation and many others.

2.7. Chapter Summary

Two observations are noteworthy in concluding this chapter. First, we do not have enough knowledge as to whether foundation philanthropy is issue-based, that is: whether Jewish foundations give because the recipient is an Israeli organization or because the environment is important for them, or both. Second, although we have a relatively good handle on general motivations of foundations to give, rarely do we delve into the processes involved in establishing the relationships between donors and recipients and how the selection of beneficiaries is made. These gaps are further identified and addressed in the next chapters.

CHAPTER 3:

ENGOs as Foundation Grantees: Conceptual Framework of A Selection Mechanism

3.1. Chapter Overview

Literature on foundation funding to social movement organizations (SMOs) tends to focus on the *outcomes*, seeking to understand what *impact* does foundation support have on the organizational structures, strategies, effectiveness, or identity of beneficiaries. Nevertheless, no systematic effort has been made to understand selection mechanisms that determine which ENGOs are selected to receiving foundation funding, which ENGOs are more dependent on foundation funding, *how* do foundations decide to support one organization but not the other, and why.

To address these questions, I propose a conceptual model that is centered on the *selection mechanism*. Selection is a process, or mechanism, intended to determine which organizations are more likely to receive foundation funding and why. The *selection mechanism* has been noted in past literature (Bartley, 2007) but has not been well elaborated on. Framed from the perspective of the recipient organization, it is an issue of access to external resources, exploring which organizations are more successful in *mobilizing* external resources from foundation funding, and which are more dependent on foundation support.

This is an important question for understanding the survival and demise, and the viability and sustainability of organizations in general. In particular this is true for ENGOs because of their high dependence on foundation funding. In competitive 'markets' with organizations competing for similar and limited resources, understanding which organizations have better chances of receiving foundation funding as compared to others is important.

To achieve this goal, I review existing studies on the topics of the impact of foundation funding to social movements, organizational effectiveness, and organizational change from literatures about nonprofit organizations, social movements and interest groups. I then identify the

selection mechanism as an important process receiving insufficient attention in this literature, and propose to test four types of organizational characteristics that the selection mechanism is likely to be associated with: *organizational demographics*, *structural characteristics*, *strategies of operation*, and *ideational characteristics*. I test the proposed framework in the subsequent chapters using a survey of Israeli ENGOs.

3.2. ENGOs, SMOs, and Philanthropic Foundations: Definitions of Key Concepts

To provide a common ground for the ensuing discussion, I define the terms environmental NGOs and philanthropic foundations. Since I also view ENGOs as social movement organizations (SMOs), the term SMO is defined too.

A **social movement organization** (SMO) is defined as "a complex or formal organization, which identifies its goals with the preferences of a social movement or a countermovement and attempts to implement those goals" (McCarthy & Zald, 1977, p. 1218). SMOs were also defined as "associations of persons making idealistic and moralistic claims about how human personal or group life ought to be organized" (Lofland, 1996, pp. 2-3). SMOs deviate from social movements by their formalized and institutionalized nature but concur over ideology, values, and beliefs. Although SMOs normally operate outside the dominant polity and challenge it, they may work with inside allies to mobilize change (Andrews & Edwards, 2004).

An **environmental NGO** (ENGO) is a particular type of SMO that can be defined as a formalized and bureaucratized organizations that is aiming to achieve environmental collective goals such as preserving biodiversity, monitoring the environment, or preventing environmental degradation on global, regional, national, and local levels (Carmin & Balser, 2002; Princen & Finger, 1994). Rarely do ENGOs get involved in provision of services, and, similar to SMOs, they tend to embrace attitudes and goals that are at odds with government policies.

A **philanthropic foundation** is a legally chartered, self-governing, nonprofit entity that represents an institutionalized form of giving. First taking root in New York in the early decades of

the 20th century,[7] foundations are private entities created by wealthy individuals, presumably as a means of dealing with their accumulated wealth and disposing / re-distributing it philanthropically – for charitable purposes. These grantmaking philanthropic foundations normally have no membership (although they might have multiple donors) and they do not provide direct service or advocacy functions, but they do finance other organizations to carry out such tasks (Anheier & Leat, 2006; Salamon & Anheier, 1997).

A common claim made by foundations argues that they seek the public good and strive to make the world into a better place. Yet, rarely does the research determine whether or not foundations are actually achieving this goal, describing instead the perception of foundation stakeholders themselves on how they perceive their success (Anheier & Daly, 2007). After all, it can be argued that even if foundations indeed enhance the public good, they do so through decisions made by private independent individuals rather than by governmental decision-makers that have a broader public perspective on needs and resource allocation (Roelofs, 2003), and that more transparency is, therefore, needed in their operation, despite them being "a great American secret" (Fleishman, 2007).

Furthermore, foundations are not uniform entities. Different types of foundations can be identified: 1) Private foundations, 2) Community foundations (or religious-based foundations like Jewish federations), 3) Donor-advised funds, which are private funds where a donor orders the managing institution (a community foundation or commercial financial institution) how to use and manage his/her funds, and 4) corporate foundations established by corporations as part of their corporate social responsibility.

For the purpose of this study, foundations are aggregated and evaluated as a single institutional form of philanthropic giving, however, it is important to mention its internal variation. In other words, foundations are normally set out with specific ideological or programmatic goals that inherently create a group of grantees toward which funds are aimed.

[7] The Carnegie, Rockefeller, Harkness, and Russel Sage foundations are only a few prominent examples.

3.3. Theoretical Framework: Resource Dependence and Resource Mobilization

The context of inquiry for the study of foundation-grantee relations is the organizational literature theorizing the external environment of organizations in general, and of nonprofit associations and SMOs in particular. The 'open system' perspective has dominated the organizational literature since the 1970s, arguing that the viability, structure, operations, effectiveness, and success of organizations is influenced by, and should be examined in relation to, the broader external environments with which the organizations interact (Aldrich, 1999; Schmid, 2004; Scott, 2002; Yuchtman & Seashore, 1967). Organizations, according to this perspective, cannot be studied and understood without considering their relationships with other stakeholders such as constituents, competitors, funders, and regulators. Key theories in this area are *population ecology* (Hannan & Freeman, 1977), *neo-institutional theory* (DiMaggio & Powell, 1983) and *resource dependence theory* (Pfeffer & Salancik, 1978).

3.3.1. Resource Dependence Theory

The *resource dependence theory* contends that organizations are resource-poor, and that the key to their survival is a successful acquisition of resources from the external environment (Pfeffer & Salancik, 1978). The external environment is composed of other stakeholders, including organizations, people, materials, information, and recognition. The theory stresses the importance of the *source* of the acquired resource as a critical determinant of organizational structure and behavior; for example: donors may make demands on the recipient organization, or attach strings and conditions to their financial support (Barman, 2008). In other words, resource dependence sees the environment as composed of elements, which impose market and efficiency demands on organizations (Bielefeld, 1992).[8] In addition, the flow of external resources might be unstable and unreliable, creating challenges for the operations of the organization. Unlike for-profit organizations, the *timing* of receiving the revenues is oftentimes not in the hands of the nonprofit, but in the hands of its donors (or intermediary paying service users).

[8] This is in contrast to the neo-institutional theory that emphasizes the social and normative demands that environments impose on organizations (DiMaggio & Powell, 1983). The theories have been developed largely as alternatives, but it is more useful to think of them as complementary.

3.3.2. Resource Mobilization Theory

In the social movement literature, the *resource mobilization theory* (RMT) has been a central theory, stressing the importance of mobilizing financial, social, organizational, and political resources for the emergence of SMOs (McAdam, 1982; McCarthy & Zald, 1977; Tilly, 1978; Zald, & McCarthy, 1987). Movement collective behavior is viewed as a rational response of social change activists, which can only occur when adequate resources and infrastructures are available and mobilized. Professionalized SMOs are the critical element that supplies an enduring organizational infrastructure for the mobilization of resource (Edwards & McCarthy, 2004; McAdam, McCarthy, & Zald, 1996; Zald & Ash, 1965). SMOs are the meso-level institutions that stand between macro movement operations and the micro individual activist. One major critique of the RMT is the lack of reference to ideas, identities, and social/cultural contexts (Benford & Snow, 2000).

Both perspectives emphasize the importance of access to the external environment – mobilizing it (McCarthy & Zald, 1977), or depending on it (Pfeffer & Salancik, 1978) - in shaping organizational structures.[9] Resources often come with strings attached and, as such, these inputs may control ENGOs' organizational structures.

3.3.3. ENGOs, Resource Dependence, and Foundation Philanthropy

A nonprofit's cash flow is an ongoing challenge. Generally, nonprofits can generate revenues from three main sources: government (grants, contracts), private donors (individuals, philanthropic foundations, and corporations), or self-generated resources (membership dues, selling of goods, fees for service, capital investment, and volunteer labor) (Ebaugh, Chafetz, & Pipes, 2005; Froelich, 1999). In the case of SMOs in general and ENGOs in particular, several reasons suggest that the focus should be placed on philanthropic foundations as the key source of funding.

[9] The influence of external forces – resource mobilization and resource dependence stands in contrast to internal forces that may shape NGOs' organizational structures – such as oligarchization (Michels, 1915/1959) and bureaucratization (Weber, 1922/1968).

Due to a weak membership base, only a few SMOs, including ENGOs, are financially self-sufficient (Oser, 2010). Research on human service / service provision organizations tends to focus on the relationships with and dependence on government actors (Bielefeld, 1992; Froelich, 1999; Saidel, 1989; 1991; Smith & Grønbjerg, 2006; Smith & Lipsky, 1993). However, for many SMOs and ENGOs that work against the status quo and advocate for change in government policies (i.e., addressing the systemic causes of social inequality), mobilizing government resources is a real challenge, or they are simply opposed to soliciting it.[10]

As an alternative to government funding and self-generated income, more often than not, ENGOs are seeking revenues from private donors – individuals, corporations, or philanthropic foundations (Hunsaker & Hanzl, 2003; Jenkins, 1998; Rabinowitz, 1990). Nownes and Cigler (2007) viewed big-donor individuals as an important source of funding for ENGOs because, compared to foundations, they come with fewer interests at hand and fewer strings attached. Lowry (1999) made a similar argument with reference to corporate donors that "seek to purchase good will" (p. 758) as opposed to private foundations that bring more of their interests onto the table.

Data, however, show that, from the array of private philanthropic sources, foundations are the most prominent. ENGOs have a different funding mix than nonprofits as a whole. In the US, a 1992 survey of American ENGOs found that foundation support made up 21% of ENGOs' funding, second only to membership dues at 24% of revenues (Snow, 1992). Brulle (2000, pp. 251-255) found that foundations contribute 15–25% of the total revenue of the 87 leading national ENGOs. Similarly, Straughan and Pollak (2008) estimated foundation grants to be 12% of the ENGOs' total revenues in 2005. Cracknell, Godwin & Williams (2009, p. 11) estimated that foundation giving to UK environmental groups covers only 9% of their total revenues. These studies suggest that while it is not necessarily the main source of revenue for ENGOs, foundation funding is still instrumental.

[10] Still, the relationships of ENGOs with government actors cannot be completely invalidated. Empirical studies have suggested that ENGOs do receive some government funding through indirect general assistance, granting tax-exempt status, supportive legislation, or subsidy, and also directly through grants or contracts (Chaves, Stephens, & Galaskiewicz, 2004; Child & Grønbjerg, 2007; Ju, 2011). Nonetheless, even those groups that do enjoy direct public support find there is little room to use those funds for social change agenda, because the funds are normally earmarked, i.e., tied to specific programs or initiatives (Smith, 2002; Smith & Lipsky, 1993).

Seeking funding from philanthropic foundations can be based on ideological grounds – because grantees may share similar values and ideology with supporting foundations (Brulle & Jenkins, 2005; Hunsaker & Hanzl, 2003). Furthermore, if power relations and underlying interests do exist in foundations' grant-making decisions, as Lowry (1999) has suggested, this in fact makes research on foundation-grantee relationship more relevant, stimulating, and noteworthy.

Indeed, a handful of works have been written on foundation philanthropy to ENGOs (Barker, 2008; Bartley, 2007; Brulle, 2000; Brulle & Jenkins, 2005; Delfin & Tang, 2007, 2008; Dowie, 2001, Ch. 5; Faber & McCarthy, 2005; Lowry, 1999; McCarthy, 2004; Snow, 1992; Wing, 1973). Foundations have been involved in conservation and preservation issues since the early 20th century (Brulle & Jenkins, 2005; Dowie, 2001). Among the early foundations to support such issues were the Andrew W. Mellon Foundation and the Ford Foundation (Brulle & Jenkins, 2005). Over time, the diversity of issues addressed and funded, and the number of foundations involved in environmental issues, has grown significantly. This growth is reflected, for example, in the fact that from 1987 – when the *Environmental Grantmakers Association* was formed – until today, its membership grew from 12 to over 200 foundation members from North America and around the world.[11]

3.4. The Outcome of Foundation Philanthropy

There is a tendency in the literature to equate analysis of the foundation-grantee relationship with analysis of the outcome or the impact of foundations on grantees (Jenkins, 1998, 2001). On the one hand, foundations support capacity building at the organization and field levels (Aksartova, 2003; Bartley, 2007), and are instrumental for the effectiveness of ENGOs' *task performance*, such as advocacy (Schmid, Bar, & Nirel, 2008). On the other hand, it has been argued that grantees may also pay the price of a foundation's coercive influence on their organizational structure, mission, goals, ideology, or strategies. This occurs through a process of transformation that leads to *cooptation*, *channeling*, or *organizational starvation* (Brulle & Jenkins,

[11] Environmental Grantmakers Association, History: http://ega.org/about/history accessed April 6, 2012.

2005; Carmin & Balser, 2002; Gregory & Howard, 2009; Jenkins, 1998; McCarthy, 2004) as detailed below, and as described in Figure 3.1.

3.4.1. Cooptation and The Social Control Thesis

Cooptation is the mechanism by which the direct involvement of foundations (or other donors alike) transforms the organizations' decision-making process, leading to goal displacement, moderation of tactics, and reduced militancy. Cooptation entails three claims (Jenkins, 1998, p. 212):

> *First, that the aim of the foundation is social control, which accounts for their funding of professionalized projects that are not militant and have moderate goals. Second (and related), […] that the timing of the funding is spurred by increases in the militancy and radicalism of the movements [...]. Third and most important, that the resulting professionalization siphons movement activists from grassroots organizing, thereby diverting them from their original goals and demobilizing the movements.*

From a political economy perspective, cooptation is aligned with the neo-Marxist *social control thesis*. This thesis maintains that rather than altruism, foundations' motivation is interest-driven and aims to reproduce the existing social and economic (i.e., capitalist) orders, the privileges of the elites to which foundations belong, and the power relationships through which foundation founders made their fortunes (Arnove, 1980; Colwell, 1980, 1993; Dowie, 2001; Karl & Katz, 1987; Roelofs, 2003, 2007).

As elite institutions, even seemingly liberal foundations may exert control over grassroots ENGOs that are not part of the elite and do not identify with the capitalist system. Foundations "have bolstered elite cultural domination through the use of consensual (in this case charitable) institutional arrangements, rather than simply coercive ones" (Barker, 2008, p. 17). Sperber (2003) argued that foundation involvement led to ENGOs' "alienation from their grassroots constituencies and local activism" (p. 2).

3.4.2. Channeling in A Pluralist Society

Channeling is a subtler outcome of foundation philanthropy, posited by Craig Jenkins and his colleagues (Brulle & Jenkins, 2005; Jenkins, 1998, 2001; Jenkins & Eckert, 1986; Jenkins & Halcli, 1999). The channeling thesis contends that donors' major impact vis-à-vis the grantees is

moderation of social movement activity. The resources that SMOs receive may channel and control the types of strategies (repertoires of action) they employ (Carmin & Balser, 2002; Jenkins & Perrow, 1977; McCarthy, Britt, & Wolfson, 1991).

Foundation funding often results in a decline in direct action strategies and contentious politics and the rise of "professionalized advocacy" (litigation, lobbying, public education) as the key organizational strategy (Jenkins, 2001, p. 61; Jenkins, 1998). Unlike the cooptation mechanism, foundation funding transforms grantees' strategies of operation, rather than its goals. Similar social change goals can still be realized but with different, less disruptive strategies. The channeling happens over time and is a function of the level of foundation funding.

From a political economy perspective, the channeling thesis is manifestation of a pluralist society (Jenkins, 1998, 2001; Delfin & Tang, 2008), in which diverse interest groups compete and cooperate with one another in pursuit of their visions of the 'good society' (Dahl, 1961; Walker, 1991). The role of foundations in the pluralist model is to help professionalize, mobilize, and ensure diverse representation of various interest groups, especially those who cannot represent themselves independently. It is debated, however, if foundations have really achieved that role. Jenkins (1998, 2001) argued that by their disinclination to support grassroots groups and their preference for professionalized groups, foundations have contributed little to increased plurality in society.

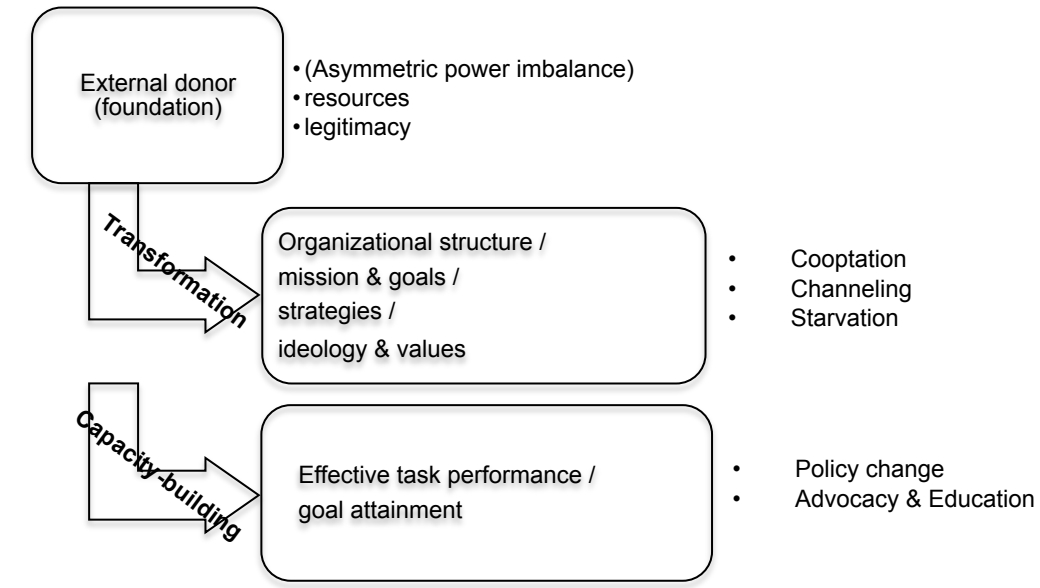
There are shortcomings to both the cooptation and channeling theses. The cooptation thesis was criticized for placing too much weight on foundation funding in relation to other sources of funding, and for making an (implicit) assumption that where foundations' support is highest, so too is their impact the most significant. Bartley (2007) argued that these theories create too rigid categorical distinctions between, for example, grassroots and professionalized NGOs, where in reality the "lines between moderate 'institutional' politics and disruptive 'extra-institutional' politics are often blurry or commonly traversed" (Bartley, 2007, p. 232).

3.4.3. Starvation

Another interesting thesis of foundation influence on its grantees is that of the *starvation vicious cycle* (Gregory & Howard, 2009). According to this thesis, because of funders' unrealistic expectations about how much it costs to run a nonprofit (first step), the amount of support is always smaller than required. Nonprofits feel pressure to conform to these unrealistic expectations (second step). Nonprofits respond to this pressure in two ways (third step): They spend too little on overhead, and they underreport their expenditures on tax forms and in fundraising materials. This under-spending and underreporting in turn perpetuates funders' unrealistic expectations. Over time, funders expect grantees to do more and more with less and less – a cycle that slowly starves nonprofit organizations.

The tendency to focus on the outcomes is in line with the resource dependence theory that argues that the more an organization depends on external donors, the more influence the donor has, while the more diverse the revenue sources are, the more flexibility an organization can enjoy in its decision-making (Foster & Meinhard, 2005; Froelich, 1999; Grønbjerg, 1993). Accordingly, organizational behavior is a reflection of the NGO's management of its dependence on external resources and the ensuing demands posed by a donor controlling these resources. How low or high resource dependent an NGO is, may determine the effectiveness of its organizational characteristics, behavior, and task performance. Therefore, the expectation is that an NGO characterized with high resource concentration, and with high foundation dependence, will comply more with donor interests or preferences. Figure 3.1 summarizes this line of theorization.

Figure 3.1: External donor (foundations) influence on organizational structure and performance



3.5. From Outcomes to Processes

There are several shortcomings to the foundation-grantee dependence theory that has been described so far in line with the resource dependence theory. In particular, the tendency to examine how ENGOs dependence on external foundation donors *influences* or *impacts* the organizations' behavior, structure, and strategies of operation has "often glossed over the concrete *processes* through which foundations act," as Bartley (2007, p. 231) rightfully argued. Bartley (2007) described two processes that involve foundation-grantee relationships. *Transformation* depicts the impact on or outcome of foundations support on recipient organizations (for example, by channeling grassroots activity into professionalized groups). *Selection* is the process through which the differential preference of foundations to support "non-threatening groups" is performed. At the core of the *selection* process is the argument that foundations have the privilege of selecting the type of activity and the characteristics of the organizations to which their funds are channeled. Where I depart from Bartley's line of reasoning is on the argument that the selection mechanism is already well understood. Scholars have paid

only indirect passing attention to the selection mechanism that accounts for how foundation funding is channeled into environmental movement activity, so further analysis of this mechanism is needed. My focus of analysis is, therefore, on the *selection process* more than on the *transformation outcome*.

The work of Delfin and Tang (2007, 2008) is another useful yet insufficient starting point to my proposed conceptual framework and analysis. Delfin and Tang's studies investigated ENGOs receiving grants from California-based philanthropic foundations, with the aim of assessing how dependent are grantees on foundation funding, and what organizational traits best predict grantees' dependence on foundation funding. The major drawback in their analysis is for not comparing between recipients and non-recipients of foundation grants. Rather, the entire sample was drawn from foundation recipients hence the *selection mechanism* is ultimately missing in their study. Their work, in other words, suffers from the bias of selection on the dependent variable (Geddes, 1990; King, Keohane, & Verba, 1994).

From a methodological perspective, theory on foundation funding to SMOs has so far been informed mostly by US-based research data (e.g., Bosso, 1995; Brulle & Jenkins, 2005; Delfin & Tang, 2007; 2008; McCarthy D. , 2004). The study location in Israel enables testing existing theories and re-visiting them in locations other than the US. A transnational perspective on the influence of American foundations on non-American grantees allows taking into account distinctive social, cultural, political, and economic factors in both the donor and grantee countries. For example, it has been noted that due to a variety of political and historical reasons, the liberal / pluralist socio-political environment that exists in the US cannot be easily applied to the organizational environment in Israel (Morag-Levine, 2001, p. 335). Pluralist societal arrangements have been increasing in Israel only in the last two-to-three decades (Yishai, 2001).

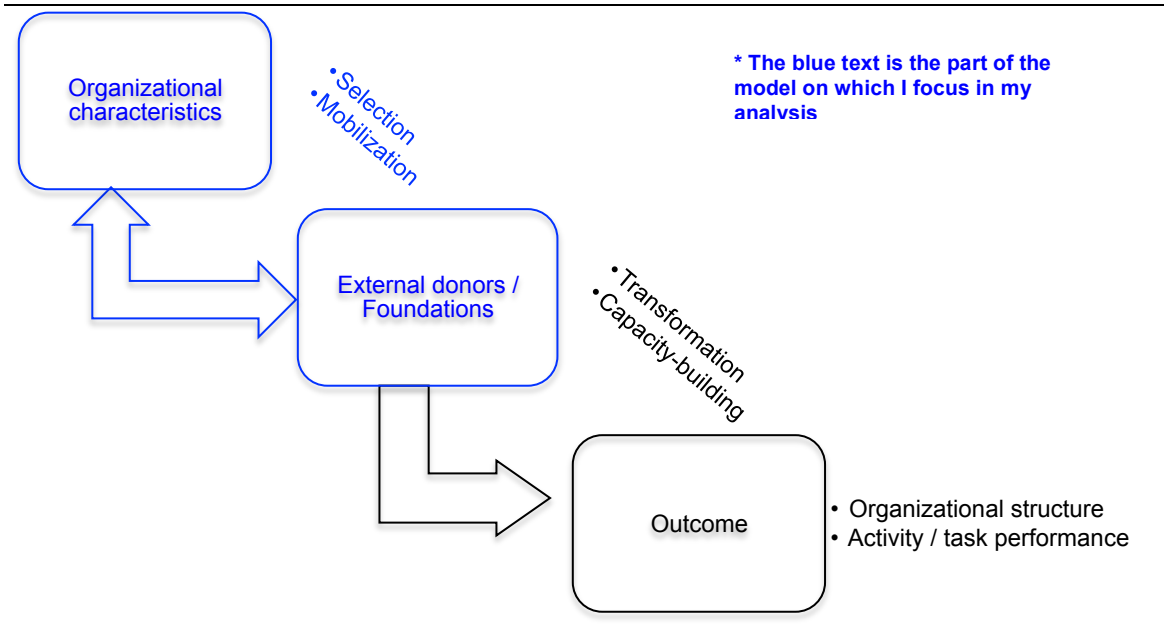
Second, the samples often covered only the largest national environmental groups (Brulle & Jenkins, 2005; Lowry, 1999), or investigated ENGOs or foundations in specific states (e.g., California-based foundations in Delfin and Tang (2008); North Carolina ENGOs in Andrews and

Edwards (2005)). Due to the relatively small scale of the country, an Israel-based study allows implementation of a nation-wide census of ENGOs, which is less feasible elsewhere.

3.6. Proposed Conceptual Model

My proposed conceptual model (Figure 3.2) extends the causal relationship described in Figure 3.1. While in the original model, external foundation funding (an independent variable) has a transforming influence on grantees' organizational structure and performance (dependent variable), the revised model proposes that there is association between organizational characteristics of grantees (as the independent variables) and the decision of foundations to select specific types of ENGOs for support (foundation funding is the dependent variable). The model does not, however, posit a causal relationship between grantees' organizational characteristics and foundation grants. Rather, it is an association, or correlation, between these variables that I am investigating.

Figure 3.2: Proposed conceptual model examining the selection mechanism



By using organizational characteristics as independent variables, the proposed framework makes an underlying assumption that the organizations existed before receiving foundation

grants. However, the question 'who came first' is debated: are foundations catalyzers of the formation of organizations and organizational fields (Bartley, 2007) or followers by financially supporting existing organizations (Prewitt, 2006; Edwards M. , 2008).[12] The proposed model presumably takes a stand with those arguing that foundation grants followed organizational formation, but there may exist feedback loops that should be empirically tested in future time using longitudinal data.

What organizational characteristics might be associated with foundation funding? Previous studies have implicitly referred to different characteristics that affect the selection mechanism involved in foundation-grantee relationships. Observations on organizational characteristics influencing the selection process are summarized below in four parts: strategies of operation, organizational structures, ideational characteristics, and organizational demographics:

3.6.1. Selection Based on Strategies of Operation

Foundations tend to select organizations using *institutional strategies* (lobbying, advocacy, litigation, public campaigns, research, or recreational and educational activities) over those using *direct action radical strategies*, such as protest, boycotts, community organizing, or street theatre (Brulle & Jenkins, 2005; Jenkins, 1998); the latter are used more often than not by grassroots groups. Aksartova (2003) argued that in search for their own legitimacy in the public sphere, foundations prefer to support *elite* grantees with reputation and demonstrated effectiveness, such as think tanks and research universities.

Brulle and Jenkins (2005) found that the overwhelming majority of foundation funding went to ENGOs that use moderate strategies that identify with mainstream environmental discourses of preservation and conservation, and that had a more professional advocacy structure with paying members but without members' active participation. Delfin and Tang (2008), on the other hand, argued that no particular type of ENGO strategy of operation was favored in the grantmaking process.

[12] While Bartley made the case for foundations supporting the emergence of entire organizational fields ('field building'), Prewitt (1999, 2006, p. 372) claimed that, "foundations work at the edge of large-scale social change rather than cause those changes in the first place."

Haines (1984) argued that less radical organizations garner greater foundation support. Examining the civil rights movement of the 1960s, he coined the term “radical flank effect” to refer to the selection process in which direct action tactics by the more radical segments of the movement stimulated foundations to divert greater resources to the less militant organizations, thereby strengthening the political visibility and centrality of the moderates. The *timing* of foundations’ decision to divert greater resources to the moderate groups was not arbitrary; it came when protests and riots by more militant organizations were at their peak, and were intended to suppress, defuse and bypass the more radical voices.

3.6.2. Selection Based on Organizational Structures

A key debate in the literature regarding organizational structures surrounds the question of whether foundations tend to support *professionalized* organizations more than *grassroots* organizations – both reflecting two ends of the organizational structure. Funders might perceive a professionalized NGO more worthy of trust. A professional NGO can temper donor concerns regarding accountability and institutional stability, that is, concerns that the money they grant is used efficiently and only for ‘causes’ that they have agreed to support. Furthermore, due to growing competition for limited funding worldwide, and since the fundraising process requires ample experience and expertise, professional resources of advocacy NGOs provide these organizations with better capacities for taking on the demanding task of fundraising.

Indeed, Brulle and Jenkins (2005) and Jenkins (1998) argued that foundation funding has largely gone to professionalized advocacy ENGOs with formal, centralized decision-making structures and whose activities are less controversial, middle-class oriented, and rely on professional staff, while avoiding grassroots groups with more radical ideas and direct action strategies. Delfin and Tang (2007), however, found “no consistent favoritism of the so-called ‘mainstream’, ‘flagship’, national environmental organizations as recipients of foundations’ grants” (p. 2167). Contrary to critics of foundations as elite and biased institutions that select grantees based on favoritism and preferences, they argued that foundations selected grantees based on recipients’ perceived expertise, needs, and quality of application. Nevertheless, the

operationalization of key concepts in Delfin and Tang's study, such as strategies of operation and structure, was limited to binary representation. Rather, more attention should be given to the spectrum of structures. I examine organizational structure by assessing measures of membership, volunteers, formalization, and centralization.

Member participation in ENGOs can take different forms—from participating in an organized hike to attending a fund-raiser. Active, committed members often play a critical role in volunteer-led grassroots organizations. They conduct much of the work that is necessary for an organization to be operational, and provide a source of stability and legitimacy to the organization (Ganz, 2000; McCarthy & Wolfson, 1996). Organizations with greater numbers of active members are better equipped to carry out programs hence can be more effective. Hypothesizing the link between membership and funding success, one could expect that, on the one hand, greater member participation will signal broader legitimacy of the organization in the eyes of donors, and hence increase foundation grants. Conversely, Brulle and Jenkins (2005) found that the majority of foundation funding went to ENGOs that had a more professional advocacy structure with some paying members but without active members. This points to active membership being a proxy of grassroots structure of an organization. Owing to these competing suggestions, I hypothesize active members to have minor positive association with foundation funding. Volunteers make up a significant portion of ENGOs' labor force (Independent Sector, 2002), as many small grassroots ENGOs are completely reliant on volunteer labor. Therefore, it is used as a second proxy for grassroots organizational structure.

Two common structural dimensions of SMOs are centralization and formalization (Lofland, 1996). Formalization refers to the degree to which decisions and working relationships are governed by formal rules, standard policies, and procedures. Centralization refers to the locus of decision authority and control within an organizational entity. In Lofland's (1996, p. 143) words, it is "the degree to which an SMO's activities are devised and directed by a well-identified SMO-wide *leadership* as opposed to activities originating and pursued by multiple, relatively independent SMO subgroupings". Legal status and board size are indicators of formalization and centralization, respectively.

Legal status: All nonprofits in Israel, by law, must be registered with the Registrar of Associations, which is part of the Israeli Ministry of Justice. However, some local initiatives, grassroots campaign, or branches of other organizations sometime do not do so. Whether or not an organization is formally registered is therefore an indication of the level of formalization and bureaucratization of the ENGOs. Lack of legal registration is a sign of low level of formalization, like temporariness of activity and organizational immaturity. Such attributes are expected to negatively influence an organization's relationships with donors.

Board size: This variable is included because the number of board members is considered an important factor in fundraising and organizational effectiveness (Miller-Millesen, 2003; Siciliano, 1996). If a charity has a larger board, its members are likely to have better abilities and strategic directions to raise donations (Brown W. A., 2005). Organizations that devote the time and effort to establishing a strong board of directors can enhance their resource mobilization. Larger board can divide management tasks to various board members, especially in organizations where board members do their tasks voluntarily without compensation. Thus, I ask whether it makes any difference for mobilizing foundation resources if a large board of directors governs the ENGO.

3.6.3. Selection Based on Ideational Characteristics

Ideational characteristics are philosophies, worldviews, or ideologies that guide and shape environmental organizations in their operation. The diversity of ideational characteristics in the environmental movement has been long recognized (Andrews & Edwards, 2005; Bosso, 1995); Brulle, 2000; Brulle, et al., 2007; Taylor, 2000). Different terminologies have been used in the literature to describe these characteristics, including 'environmental philosophy' (Andrews & Edwards, 2005; Carmin & Balser, 2002), 'ecological identity' (Dreiling & Wolf, 2001), 'beliefs' (Dalton, 1994), and 'discursive frames' (Brulle, 2000, p. 76; Brulle & Jenkins, 2005; Brulle et al., 2007, p. 200). The concept commonly used in Israel is 'environmental paradigm' (Orenstein & Silverman, forthcoming; Schwartz, 2009). In the next chapter, I explain in detail the paradigms pertinent in the Israeli context.

Previous research found that the ideology with which an organization identifies could influence the selection decisions of supporting foundations. These studies maintain that foundations demonstrate a preference to select for funding ENGOs that identify with mainstream environmental ideologies, especially the preservation and conservation discursive frames, because supporters of these discourses tend to be less controversial and friendlier to the corporate world (Brulle, 2000; Brulle & Jenkins, 2005). More radical ENGOs that struggle to change social power structures, like Earth First or those working from an environmental justice or eco-feminist frameworks, are less likely to receive foundation support and typically rely on members for support. But, as McCarthy (2004) and Faber and McCarthy (2005) demonstrated, there are always exceptions: environmental justice organizations did establish connections with a few foundations, and "were able to maneuver around some of the foundation-related constraints that might otherwise present very real threats to their self-determination" (p. 250).

Reflecting the interests of their funders, the funded ENGOs generally rely on less contentious tactics, and the non-funded engage in more confrontational acts (Brulle, 2000; Dalton, 1994; Dreiling & Wolf, 2001; Morag-Levine, 2001). However, the problem of these analyses is their tendency to categorize ENGOs based on a single paradigm only, where in fact it is fair to assume that ENGOs are able to encompass more than a single ideology, and operate under a mix of multiple ideologies.

3.6.4. Selection Based on Organizational Demographics

Age: The age of a nonprofit organization is often a good proxy for reputation, legitimacy, and capacity. Since it normally takes time to establish legitimacy and capacity, until an organization does so, funders will be more cautious in their dealings with the organization (Gottlieb, 1993; Hannan & Freeman, 1977; Stinchcombe, 1965). Young organizations also have to overcome barriers to entry such as tough competition for funding from the already established organizations. An older organization means that over a long period of time donors and clients found the organization to be honest, legitimate, and effectual. It is also assumed that older organizations are more formalized and institutionalized and therefore enjoy a relatively high level

of trust and legitimacy hence funding. Furthermore, while foundations bestow legitimacy on grantees, they are also seeking to gain legitimacy from the organizations they support. Therefore, foundations will tend to select grantees that already have demonstrated reputation and legitimacy as well as the capacity to carry out their funded projects (Aksartova, 2003). This line of reasoning suggests that older organizations will enjoy more foundation funding. However, the tendency to focus on the reputable is somewhat in contrast to the argument that experimentation and innovation are key functions of foundations in a democratic society, as they are at liberty to fund new ideas and new organizations that do not yet have popular support (Anheier & Leat, 2006).

From a resource dependence perspective, one can posit that older organizations survived because they have diversified their sources of funding; thus one may hypothesize that foundation dependence is likely to decrease with age (Delfin & Tang, 2007; Hasenfeld & Schmid, 1989). In light of these diverging theses regarding age, I hypothesize age to have neutral effect on funding success, but negative effect on level of dependence.

Size: For foundations that consider grantees for their support, the size of an organization, similar to age, may be taken as a signal of quality, reputation and organizational strength (Foster & Meinhard, 2005). Large organizations represent stability since they have grown through their own success; they also have the means to invest in fundraising and have professionals writing grant applications to foundations, thus increasing the likelihood of success. Size is therefore expected to have a positive impact on the success of receiving foundation funding. At the same time, larger organizations can also generate more resources from other sources of funding; therefore, in terms of level of dependence, larger organizations are expected to be less dependent on foundation funding. It is hypothesized that the larger the number of employees (bigger organization), the higher the level of professionalization and hence greater success of receiving foundation funding.

Geographic orientation: Most studies point to the separation between national and local NGO activity. Gottlieb (1993), for example, found a tension and lack of mobility between local and national segments of the American environmental movement. The structure of the movement, he

argued, creates a strong separation between (large) national ENGOs and local, mostly volunteer, grassroots groups. National-level activity is equated with larger organizations and moderate, mainstream strategies of advocacy. National groups rely on paid staff to carry out most of the work, without much volunteer labor (even if they do have members). Staff are mostly full-time employees hired on the basis of their professional skills and through professional networks, rather than place-based local social networks. Local activity – at the neighborhood, community, or even small-scale regional level – is associated in the literature with smaller size, grassroots, activist, and at times even contentious organizations.

3.7. Comments on the Proposed Framework

I focus on political and sociological explanations to understand the selection mechanism. I eschew financial measures, such as fundraising expenses or program efficiency, because these are one-dimensional measures that do not get to the multidimensional political, social, and ideational motivations, which, I argue, are at the heart of the selection process. From a social movement perspective, it seems as if foundations might be concerned in their selection decisions with considerations such as ideological congruency or goal orientation of grantees beyond grantees' financial performance.

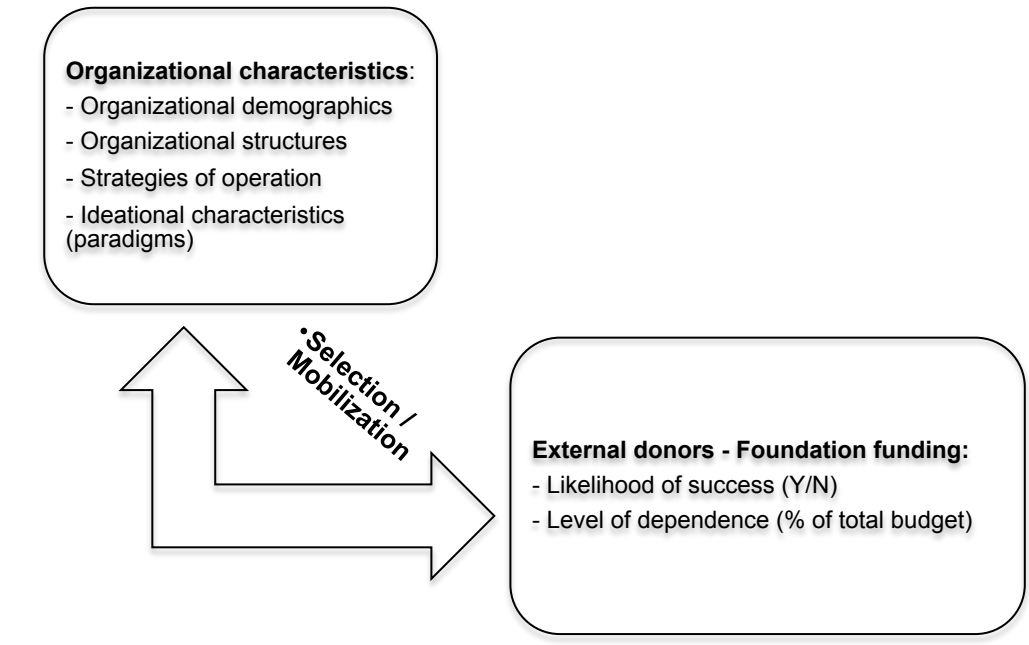
Furthermore, investigating economic considerations only, as done in Thornton (2006) and Ashley and Faulk (2010) for example, is part of a trend that Anheier and Leat (2006) called the 'new-scientific approaches' to philanthropy.[13] These approaches, they contend and I concur with, "apply business models to foundation practices, with the assumption that if only foundations were run like businesses, all would be well" (p. 5). While Anheier and Leat also criticized the scientific approaches to philanthropy for focusing too much on processes rather than foundations' role in promoting democracy, I disagree with this criticism. The proposed selection processes, for example, can certainly attest to foundations' political preferences, and to their leadership roles in promoting social change and democratizing societies. The focus on social, political, and

[13] Such approaches include, for example, strategic philanthropy, venture philanthropy, social investment, and the blended value proposition.

organizational characteristics of the selection process perhaps mitigate Anheier and Leat's (2006) concern.

Beyond the economic consideration not included in this study, other explanations – such as network characteristics, issues addressed, receiving past grants, and eligibility criteria – might influence foundation selection decisions. For example, personal networks and the selection of likeminded (homophilly) (McPherson & Smith-Lovin, 1987), and the social and cultural capital of leaders within organizations can be influential in mobilizing resources. Inter-organizational networks, too, can determine the level of competition among NGOs, and the level of collaboration with foundations. Eligibility criteria set by foundations in the grant application process can become a de facto selection tool that includes some and excludes others based on foundation preferences. Examination of eligibility criteria is difficult to measure in a quantitative analysis and has to be explored qualitatively. All these potential considerations should be tested in future analysis.

Figure 3.3: Detailed view of the conceptual model



3.8. Research Questions

Corresponding to the Israeli context described in the previous chapter and the theoretical model developed in this chapter, my goal is to understand whether foundations consistently favor environmental groups with certain organizational characteristics over others. Whether it is NGOs' strategies of operations, ideational characteristics, or organizational structures, foundations have leverage to choose the types of organizations with whom they work. Accordingly, the following research questions are explored:

Descriptive – Resource dependence and revenue diversification

1) What is the revenue structure of Israeli ENGOs?

2) To what degree do Israeli ENGOs depend on foundation funding?

Analytical – Correlating foundation funding and organizational characteristics

3) To what degree are organizational characteristics of Israeli ENGOs associated with success in being selected to receive foundation funding?

4) To what degree are organizational characteristics of Israeli ENGOs associated with level of dependence on foundation funding?

Exploratory – Characterizing organizations not receiving foundation funding

5) What difficulties and barriers do Israeli ENGOs face in securing and mobilizing foundation funding?

3.9. Hypotheses

The following hypotheses are proposed corresponding to research the analytical section of the study (research questions 3 and 4):

Strategies of operation: The more institutional strategies an ENGO is using (measured by targeting government authorities),

(a) the higher its **success** of receiving foundation funding, and

(b) the higher its **dependence** on foundation funding

Organizational structures: The more professional organizational structure an ENGO is

(a) the higher its **success** of receiving foundation funding, and

(b) the lower its **dependence** on foundation funding

(c) Active members in an ENGO will have slight positive association with the **success** of receiving foundation funding

Ideational characteristics: The more an ENGO identifies with preservation & conservation paradigms,

(a) the higher its **success** of receiving foundation funding, and

(b) the higher its **dependence** on foundation funding

Demographic characteristics:

(a) Age will have neutral effect on the **success** of receiving foundation funding

(b) Age will have negative effect on the level of **dependence** on foundation funding: the younger an organization is, the higher its level of dependence on foundation funding

(c) National-level organizations will be more **successful** in receiving foundation funding

(d) Local level ENGOs will be more **dependent** on foundation funding

3.10. Chapter Summary

The proposed theoretical model is innovative and extends current theories in two ways. First, it departs from common analysis in the nonprofit literature that focuses on the influences of governments as external donor on organizational effectiveness. Instead, my analysis focuses on the links with philanthropic foundations as external donors. This analytic route draws more heavily on sociological explanations from social movement literature than on nonprofit economic analysis. Second, departing from common analysis of social movement organizations that focuses on the *transformation* of organizations following support from foundations, my focus is on the *selection* and *mobilization* processes: What are the associations between organizational characteristics and success in securing foundation funding. In the next chapter, I translate the proposed model into measurable variables.

CHAPTER 4:

Research Design and Methods

4.1. Chapter Overview

The study uses mixed methods to examine foundation funding to Israeli ENGOs. A mixed-methods design is the most comprehensive way for understanding a phenomenon. Mixed methods in research methodology means using a quantitative and a qualitative method for the same research problem. It can be in any order, or done concurrently. Sometimes using a qualitative approach can lead to clarify questions or issues, and from there a quantitative survey would be possible. In other cases, like in this study, the sequence is opposite. Thus, I first present findings from a quantitative study and then utilize qualitative interviews that add context and provide deeper insight into the foundation-grantee relations.

The target population is all environmental NGOs in Israel. Since there is no single source of information or list of Israeli ENGOs, the sampling frame consisted of all organizations found in three databases: the umbrella group *Life and Environment*, records of the Israeli *Registrar of Associations*, and the Israeli Ministry of Environmental Protection. In addition, the names of a few other ENGOs were added to the sampling frame using a snowball sampling. Sources of data for my analysis included the online survey questionnaires, reports from the Israeli *Registrar of Associations*, and interviews with representatives of selected ENGOs.

I use three methods to answer the research questions that are the focus of this study. First, using cross-sectional survey data I describe the organizational characteristics of Israeli ENGOs, and their revenue sources. The emphasis is on the ENGOs' revenue structure and their level of dependency on philanthropic foundations. Second, I conduct bivariate and multivariate analyses to examine the association between ENGOs' organizational characteristics and foundation funding. Finally, I use in-depth semi-structured interviews with key informants to explore the organizational barriers to NGO-foundation relationships, and the underpinning of the NGO-

foundation selection processes as identified in the theoretical chapter. These methods are described below after laying out the research design and data collection procedures.

4.2. The Quantitative Study

4.2.1. Setting

The data for the quantitative study come from a comprehensive survey among a sample of 100 environmental organizations, as part of a larger project examining the scope and challenges of the Israeli environmental movement (Tal, Leon-Zchout, Frankel-Oshri, Greenspan, & Akov, 2011). The survey was conducted between October 2010 and July 2011 through an online system and telephone interviews. This project was initiated by Prof. Alon Tal from Ben Gurion University, conducted in collaboration with *Life and Environment* – the umbrella group of Israeli ENGOs, with the support of the JMG Foundation.

4.2.2. Research Design

A cross-sectional organizational survey was used to collect data on Israeli ENGOs. Organizational surveys allow examination of the prevalence of major phenomena across an entire population of organizations; they are also known as *population studies*. Using organizational surveys for a cross-sectional design is a common strategy for studying nonprofit organizations in general (Galaskiewicz & Bielefeld, 1998; McPherson & Rotolo, 1995), and ENGOs in particular (Andrews & Edwards, 2005; Brulle, 2000; Brulle & Jenkins, 2005; Delfin & Tang, 2008). Cross-sectional surveys are conducted at one point in time, allowing for analysis of *correlation* but not for causation or measurement of change over time (as in longitudinal data). This is a known and inherent limitation of cross-sectional research design, which should be taken into account.

4.2.3. Data Source and Sampling Frame

Two key sources informed the creation of the study's sampling frame: a list of member organizations of *Life and Environment* – the umbrella group of Israeli ENGOs (www.sviva.net), and a list of over 50 organizations found at the website of the Israeli Ministry of Environmental Protection (www.sviva.gov.il). There was some overlap between these two sources. Other

organizations were added to the list using a snowballing technique based on the researchers' familiarity with the field and based on recommendations from other ENGOs (Goodman, 1961). A sampling frame of 222 potential environmental organizations – including national, regional, and local organizations – was created based on these sources. This is a non-probability sampling technique in the sense that selection of participating organizations is systematic, but not random.

4.2.4. Eligibility Criteria

The eligibility criteria for participation in the study are:

1) The organization's prime mission is environmental. It is acknowledged that some ENGOs operate in domains beyond the environment. Therefore, similar to Andrews and Edwards (2004), the sampling frame is not limited to groups that make exclusive environmental claims. Rather, it includes all organizations whose prime mission is environmental.
2) The organization is not primarily educational, even when environmental education is central.
3) The organization was established in 2009 or before. This criterion is set to give a minimum timeframe of two years for new ENGOs to mature and develop the organizational capacity to seek foundation grants. This criterion helps to avoid bias by inclusion of young organizations that had no chance of receiving foundation funding. In addition, in Israel, organizations are eligible to receive tax-exempt status only after two-years from registration.

4.2.5. Recruitment

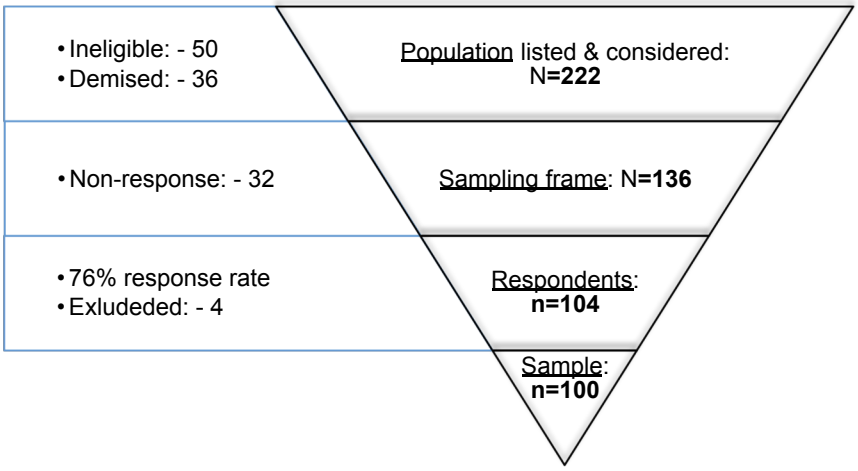
Upon review of the list of 222 potential organizations, 50 entries were excluded: fourteen irrelevant entries such as a blog, a website, or a branch of an existing organization, and thirty-six civic or educational organizations that had *some* environmental focus but not as their prime mission. These exclusions left a sampling frame of 172 organizations.

All the remaining 172 organizations were contacted with request to participate in the study. The recruitment letter did not specify explicitly that the goal of the study is to understand the funding sources of participating organizations. Rather, it stated that the questionnaire is "*about the state of the environmental movement in Israel*," and its goal is "*to offer a comprehensive picture of environmental organizations working in Israel today*" (see Appendix 4). No monetary or

other incentives were offered to participating organizations other than contribution to scientific understanding of ENGOs in Israel. It is fair to assume, then, that the final sample provides a reliable representation of the entire ENGO population, and no bias in favor of funded organizations exists. Future analysis could compare participating ENGOs with non-participants.

During recruitment, 36 additional organizations, which had in the past been dynamic and effectual, were found to be no longer active, pointing to attrition amongst ENGOs, particularly at the local level. The final sampling frame, therefore, consisted of 136 active organizations. The goal was to survey all 136 organizations – a full *census* of ENGOs as opposed to sampling the population – because full census allows generalization of findings to the entire population of Israeli ENGOs (see Figure 4.1).

Figure 4.1: Sampling frame and study sample



Of the 136 organizations contacted, 104 replied to the survey, a 76.5% response rate. Of the 104 respondents, additional four were excluded from the analysis: one semi-governmental entity (the *Jewish National Fund*), two incomplete surveys, and one that was established in 2009 but began its activity only in 2010 and had no financial data. The final sample for the esuing analysis is comprised of 100 organizations. A list of participating ENGOs is found in Appendix 3.

Andrews and Edwards (2004, p. 486) noted that previous quantitative research on advocacy organizations has suffered from over reliance on existing directories collected for purposes other than theory testing, on data at the national level, and on case study research methods. The limited size of Israel, and the attempt to reach a full census of all Israeli ENGOs helps to overcome these shortcomings.

4.2.6. Data Collection

An online survey was created and uploaded to a website accessible from the homepage of the umbrella group *Life and Environment.* All organizations in the sampling frame were contacted in October 2010 by email or telephone with a request for the executive director or another senior staff to fill out the online survey. Response rate initially was slow, so several follow-ups were required to encourage completion, and on occasion to fill-in an organization's questionnaire via the telephone. A second wave of data collection of organizations replying only partially to the survey was conducted in July 2011.

Like mail surveys, online surveys are self-administered, but with several distinctive features: a substantially lower cost, an unlimited geographical spread, ability of respondents to choose a convenient time and place to complete the survey, a relatively quick data collection process, and potential use of skip patterns and visual aids (Couper, 2000; Czaja & Blair, 2005). On the other hand, online surveys have been criticized for their relatively low response rates, which might create response bias and threaten the inferential value of the survey. Previous records suggest that response rate in online surveys is around 30-40%. But in this time and age where computer use is so widespread in Western societies (including Israel), it is actually the face-to-face interviews and the paper-and-pencil collection methods that might be viewed as more cumbersome to participants as compared to online surveys. In addition, fear of organizations to disclose sensitive information online, lack of email contact details for some surveyed organizations and the need to induce organizations to respond to the survey without the direct involvement of the researcher are other matters of concern (Fowler, 2002).

4.2.7. The Survey Instrument

A survey instrument was created in Hebrew to collect information from ENGOs about their characteristics, activities and opinions. First, an initial draft was prepared by the research team and reviewed for comments and revisions by members of the project's advisory committee.[14] Second, in consultation with an Israeli expert on survey design and implementation (Dr. Arie Rotem), the instrument was revised for technical improvements in question design and for eliminating bias. Third, the revised survey was pilot-tested by several ENGO representatives to assess its clarity, efficacy, and duration of completion. Finally, the instrument was converted to a web-based format with access via link on the *Life and Environment* homepage.

The final instrument is comprehensive and quite long, containing 68 questions aggregated in 15 parts, which were divided into 39 webpages. The survey includes questions on the organization's revenue structure, ideational characteristics, strategies, geographic focus, target audience, organizational structure, and size, among others. Several of the questions appeared in two previous studies on Israeli ENGOs (Bar-David & Tal, 1996; Karassin, 2001) to allow for longitudinal comparisons. Typically, it took between one and two hours for respondents to complete the survey, depending on the pace of the respondent and on the institutional complexity of the organization replying. The complete survey version can be found in Appendix 1.

4.2.8. Survey Limitations

There are two limitations worthy of note for the survey instrument. First, the instrument did not include pre-validated scales or other previously used measurement for the concepts of interest. On the one hand, this raises questions of validity and reliability of the scales, and indeed extensive work was put into the operationalization of concepts based on available measures. On the other hand, the questions were created with the help of experts in the field and therefore may provide a more grounded and new outlook on some of the measurements. In this way I can respond to criticism of previous measurements for being too rigid in their operationalization of the variables in binary terms (Andrews & Edwards, 2005; Bartley, 2007). Thus, I offer several

[14] The project had an 8-person advisory committee comprised of environmental leaders, academics, and representatives of foundations that support environmental work in Israel. It is assumed that the committee endorsement increased the legitimacy of the project and helped to boost survey response rate.

alternative measurements. Second, the survey was not constructed with specific goals of theory testing in mind, so not all measurements are theory driven.

Another concern in conducting surveys among organizations is the reliance on a single respondent to represent the standpoints of the entire organization and self-reporting on organizational measures (Herman & Renz, 1998). However, prior research suggests that some of the concern about self-reported measures may be overstated. Kalleberg and Moody (1996), for example, found strong congruence between subjective and objective measures. McPherson and Rotolo (1995) found this strategy to be at least as reliable as more intensive strategies for collecting organizational data. They did, however, point out that officials in the organization are more accurate than ordinary respondents in reporting information about less salient characteristics of interest. In this survey, all respondents were either the founders, executive directors, senior staff, or key board members.

4.3. Dealing with Missing Data

Missing data is one of the most pervasive problems in survey-originated data analysis (Tabachnik & Fidell, 2001). Two strategies were used in this study to deal with missing data in the dataset. First, during the data collection phase, data triangulation from multiple sources was used to conduct fact checking and complete some missing values with real values. To this end, all organizations were reviewed in *Guidestar Israel* (www.guidestar.org.il), a new website – similar to its American forerunner – that contains official financial and operational reports of all Israeli nonprofits (as of 2012 numbering about 33,000) as they were submitted to the Israeli *Registrar of Associations*.[15] In particular, information on registration status, budget, and sources of funding were verified and added when they were available in the relevant financial reports. When there was discrepancy between the survey data and the financial reports, organizations were contacted to solve this discrepancy.

[15] The Guidestar-Israel portal was launched in August 2010 as a collaboration of the Israeli Ministry of Justice, JDC Israel (the Joint Distribution Committee) and Yad Hanadiv (the Rothschild Foundation). The significance of this portal is in making official data on nonprofits available online to the public.

Second, the Multiple Imputation (MI) technique for handling missing values was performed in the statistical analysis phase. Imputation is the substitution of some value for the missing values. Imputed data allow performing complete-case analysis on the entire dataset. Single imputation methods, such as imputing with a single arithmetic mean value, are traditional methods for dealing with missing values. However, MI is increasingly being used to handle this problem. The literature is in agreement that either MI or the Maximum Likelihood (ML) methods are nowadays the preferred choices for dealing statistically with missing values in order to keep the sample unbiased and as large as possible (Allison, 2002; 2010; Enders, 2010). However, MI has only recently been used in nonprofit studies, for example: (Andrews & Caren, Making the news : Movement organizations, media attention, and the public agenda, 2010; Mosley, 2011; 2010; Wiepking, 2007).

The MI technique consists of three steps: 1) Imputation, in which multiple datasets are generated according to a specified imputation model. In each generated dataset the missing values are 'replaced' with regression-estimated values (Rubin, Multiple imputation for nonresponse in surveys, 1987; Schafer , 1997). In fact, the imputed values in MI are not 'real' observations but *best guesses*. This is because the objective of MI is not to replace missing values with predicted values as close as possible to the true ones, but to *handle missing data in a way that results in valid statistical inference* (Rubin, 1996). 2) Completed-data analysis, in which standard analytical techniques are performed on each imputed (i.e., completed) dataset to obtain a set of data estimates; the obtained estimates are adjusted for missing-data uncertainty (variances). In this manner, the imputation model does not underestimate the variance of estimates, unlike single imputation methods. 3) Pooling, in which results are consolidated from the completed-data analyses into one MI dataset using Rubin's 'combination rules' (Rubin, 1996; 1987, p. 76; Schafer , 1997).

I opted for the multiple imputation technique over listwise deletion due to the small size of the sample (N=100). Replacing missing values allows me to perform regression with a reasonable number of independent variables and provide improved parameter estimates. By using all entries in a dataset, the analysis is more efficient than listwise deletion, and can correct for potential bias

of using complete cases only. MI is also a more robust procedure for handling missing values compared to traditional techniques because it requires less stringent assumptions about the missing data mechanisms, and it produces less biased estimates (Enders, 2010, pp. 13-14). Still, for comparative purposes, regression results with listwise deletion are presented too.[16]

There are two assumptions that need to be met in order for MI to be meaningfully performed: first: that the data are at least missing at random (MAR). MAR is one of three *mechanisms of missingness* alongside missing completely at random (MCAR), and not missing at random (NMAR). MAR means that the probability of missingness on any variable is unrelated to / does not depend on the value of that variable, once other observed variables are controlled. This condition will be violated if, for example, organizations with high budgets are less likely to report what their budget is. MCAR requires that the probability of a particular variable to be missing for a particular individual does not depend on the value of *any* variable in the model of interest. This condition will be violated if, for example, unregistered organizations were less likely to report their budget. In the NMAR condition, the probability that a variable is missing *depends* on the (unknown) value of that variable, after controlling for other variables in the model. If data are NMAR, using MI technique will result in biased imputations. It is important to determine whether the data are MAR or MCAR. MAR has less stringent assumptions, hence MI's advantage compared with other methods. In this study, the survey was designed in such a way that responses for each page in the online questionnaire were forced, so respondents either completed the entire scale or did not complete at all, and thus MAR can be assumed. The second implicit assumption is that variables in the model have a multivariate normal distribution. Although this is a strong assumption, the imputation method seems to work well even when this assumption is violated (Allison, 2010).

I used Stata 9.2 with *ice* and *mim* to perform the imputation, completed-data analysis, and pooling phases of the MI procedure. The ice command stands for 'imputation by chained equation,' which is a method to impute multivariate missing data with MAR using regression

[16] The pattern of missingness (monotone, general, unit non-response) is another consideration in imputation. However, when the MI technique is used to deal with missing values, identifying the patterns of missingness is less crucial to consider because "multiple imputation [is] well suited for virtually any missing data pattern" (Enders, 2010, p. 5).

models in such a manner that every variable is imputed with all other variables in the model. The regression is automatically performed based on the nature of the variable imputed (OLS, logistic, multinomial), or can be manually defined. The mim command is used in the second phase of the MI procedure in which all datasets produced in the imputation phase are pooled to analyze the multiple imputed data (Royston & White, Multiple imputation by chained equations (MICE): Implementation in Stata, 2011).

4.3.1. The Imputation Model

Below I describe practical considerations in implementing the MI procedure:

1) Imputed variables: MI should be tailored to the analytical model of interest. In addition, "the number of variables in the imputation model cannot exceed the number of cases" (Enders, 2010, p. 269).[17] As Allison (2010, p. 646) writes: "For MI to perform optimally, the model used to impute the data must be ''congenial'' … with the model intended for analysis. The models need not be identical, but the imputation model must generate imputations that reproduce the major features of the data that are the focus of the analysis. That is the main reason I recommend that the imputation model include all variables in the model of interest."

In my model, I chose 21 variables for imputation: 11 that were included in the regression analysis, 4 were the paradigms and strategies excluded following the t-test, and 6 additional variables were expected to be important predictors – budget and different binary characteristics depicting the type of organization (Table 4.1). I generated 20 imputed datasets (m=20) in addition to the original. Following this imputation process, there were 2100 records in the dataset, simulating a sample of 100 observations (100 + [20 x 100]).

2) Imputation of transformed variables: a question arises as to how to deal with transformed variables; for example: should skewed variables be logged before the MI phase or not? Empirical studies suggest that normality violations of variables may not pose a serious threat to the multiple imputation parameter estimates (Enders, 2010). Von Hippel (2009) recommended the 'transform, then impute' method—i.e., "calculate the interactions or squares in the incomplete data and then

[17] This is mostly because the imputed data contain linear dependencies that cause mathematical difficulties for regression-based imputation.

impute these transformations like any other variable." The transform-then-impute method yields good regression estimates, even though the imputed values are often inconsistent with one another. Therefore, in cases where continuous variables were highly skewed, they were logarithmized before the imputation phase; see also (Allison, 2010, p. 645).

Table 4.1: Summary of variables used in the imputation model and % of missingness (n=100)

	Variable name	Label	% Missing
(1)	p8q2_3_4	% foundation funding	0.0
(2)	ln_foundation	Log % foundation funding	0.0
(3)	ln_age	Age of organization	0.0
(4)	Geo_local_national	Geographic orientation	6.0
(5)	ln_employ	Size (# of employees)	5.0
(6)	ln_p5q1	Active members	2.0
(7)	p14q2_R	Volunteer dependence	10.0
(8)	R_q1p7	Legal status	0.0
(9)	R_Board_size	Board size	8.0
(10)	p10q6_6_7	Target: Government	13.0
(11)	p10q6_2_3	Target: Business	13.0
(12)	p10q6_1_9	Target: Individuals	13.0
(13)	parad_sustain	Paradigm: Sustainability	9.0
(14)	parad_pub_health	Paradigm: Public Health	9.0
(15)	parad_conserv	Paradigm: Nature Conservation	9.0
(16)	p7q17	Using freelancers	4.0
(17)	p4q1_1	Type: National advocacy	0.0
(18)	p4q1_11	Type: Professional	0.0
(19)	R_p4q1_2_3_13	Type: Community-based	0.0
(20)	R_p4q1_5_12	Type: Activist / Volunteer	0.0
(21)	p6q1_b_calc	Budget categorical	0.0

3) Percent of missingness possible to handle: While biased estimations will certainly increase as the rates of missing data increase, accurate estimates were found as long as missingness was up to approximately 25% (Enders, 2010). Table 4.1 demonstrates that no variable in the dataset used has missingness higher than 13%. Table 4.2 displays the number of missing values for each case record. There were 69 cases with no missing values, 15 with only

one missing value, and in 2 cases, there were 7 missing values out of the 11 independent variables in the regression. All missing cases were imputed in the MI procedure.

Table 4.2: Within-case missing values (n=100)

How many variables are missing?	% of cases
0	69.0
1	15.0
2	5.0
3	5.0
4	3.0
5	1.0
7	2.0
Total	**100.0**

4) Scale imputation: imputation should ideally be performed at the level of scale items. However, since answers were forced in this study, scales were either fully complete (no single-items missingness), or the entire scale was completely missing. Under such conditions, item-level imputation is not necessary; instead, the scale level imputation method is the best available method (Enders, 2010, p. 270). Each scale was analyzed first for underlying latent components using Principal Component Analysis (PCA) and sub-scale components (or factors) were created (see Tables 4.3 & 4.4 below). Consequently, the imputed data are at the level of components.[18] The advantage of imputation at the component level is that it dramatically reduces the number of variables for imputation. The limits are that scale-level imputation reduces statistical power and increases the standard error by up to 10% (Enders, 2010).

5) Rounding and out of range values: The *ice* imputation method does not implement range restrictions on imputed values (apart from models for interval-censored data). As a result, imputed values are not necessarily integers, as the survey results are, and might also fall outside the range of values for the variable (for example, negative values for percent of foundation donations). Allison (2010, p. 645), however, suggested that, "imposing upper and lower bounds on imputed values can lead to bias because it inappropriately reduces variances," and that, "linear imputation models usually do a satisfactory job with non-normal variables, [so] the best

[18] The mim command does not accept computer produced factor variables, so I computed the components manually (see: http://www.stata.com/statalist/archive/2009-08/msg00367.html).

practice is to leave the imputed values as they are, even if those values are unlike the real values in some respects." I follow Allison's (2010) recommendation in my analysis, despite practice in previous studies of philanthropy to substitute out of range values with positive values (e.g., (Wiepking, 2007).

4.4. Survey Variables and Measurement

Organizational characteristics, including strategies of operation, organizational structure, ideational characteristics (environmental paradigms), and organizational demographics, were gathered using a survey instrument to inform a quantitative analysis of the association between foundation funding and ENGOs' organizational characteristics.

4.4.1. The Dependent Variables (DV)

To collect financial data, respondents were asked to describe the funding sources of their organization and the share of each source (in percentage) out of the total budget. Fourteen possible funding sources that were then collapsed into eight sources were listed in the survey. They included the following: 1) Private gifts (from Israel & abroad including legacies or endowments); 2) Philanthropic foundations (general support & project specific); 3) Membership fees; 4) Israeli government (national & local); 5) Foreign entities; 6) Self-generated (including fees for service, contracts, investment income, & business enterprises); 7) Corporate donors; and 8) Other incomes. For this analysis, the categories 'Foundations - general support' and 'Foundations - project specific' were aggregated into a single measure of **foundation funding**, which is operationalized in two ways:

1) Funding success is binary representation of the dependent variable that measures the organization's success or failure in being selected to receive foundation grants (success=1, failure=0). This variable creates a binary distinction between two groups of ENGOs: recipients and non-recipients. By comparing ENGOs who receive foundation grants with those who do not, I overcome a common bias of selecting on the dependent variable by looking only at those organizations benefiting from foundation funding (e.g., Delfin & Tang, 2008). The unintended consequences of focusing on those who take part in the activity (receiving funding), to the

exclusion of those who do not, is exaggeration of the scope of the phenomenon by giving the impression that all ENGOs are involved.

2) Level of dependence is continuous representation of the variable with values ranging between 0 and 100. These values correspond to the percentage of revenues from all foundation grants out of the organization's total budget. Foundation grants include both project-specific support and funds for general operation. This operationalization creates an additional nuanced view of recipient organizations. It is not only a matter of success vs. failure but also a matter of the level of dependence on foundation money. Organizations with high foundation dependence are likely to be characterized differently than those with low dependence.

In order to quantify the effect of organizational characteristics on the level of foundation funding, both funded and non-funded ENGOs should be represented because if data are analyzed only on recipient ENGOs, bias is introduced. In the next chapter, I give further details on the distribution of these measurements and the models used to analyze the association between foundation funding and organizational characteristics. Sixty-eight percent of respondents reported receiving foundation funding and, on average, this funding comprised almost 38% of the total funds of the surveyed NGOs.

4.4.2. Independent Variables

Measures of organizational demographics, organizational structure, strategies of operation, and ideational characteristics are used to inform a quantitative analysis of the association between foundation funding and ENGOs' organizational characteristics. Bartley (2007) argued that the tendency to create categorical distinction of ENGOs such as moderate and radical, grassroots and professional, or local and national is limiting and simplistic. Even a more elaborated categorization of ENGOs, such as Brulle's studies (2000; Brulle & Jenkins, 2005) that is based on ideological categories (discursive frameworks) is insufficient because of the blurring use of discourses among ENGOs as a result of globalization, coalitions, and networks. Thus, the distinctions among ENGOs should be "treated as continuous variables rather than rigid conceptual distinctions" (Bartley, 2007, p. 232). When possible by the scope of the

measurements, I adopt this approach of operationalizing the variables as continuous. Table 5.4 in the next chapter summarizes the descriptive statistics of the independent variables.

4.4.2.1. Organizational Demographics

Age. The age of the organization is measured as a continuous variable representing the number of years since establishment of the organization. Since the variable is skewed (Skewness=2.15, Kurtosis=5.83), it is log-transformed in the regression analysis.

Geographic orientation describes the major geographic focus of the organization's activity. Respondents were asked in which geographical region of Israel their organization is most active. The six options were: 1) South, 2) Central region (Tel Aviv and surroundings), 3) Jerusalem area, 4) Haifa and surroundings, 5) North (Golan, Galilee), or 6) the entire country. The variable is dichotomized between 1=national (option 6) and 0=all local/regional (options 1-5) corresponding to previous findings of the distinction between local- and national-level activities.

Size. A measure of the number of employees is a continuous variable used as a proxy for size. The survey question asked what is the organization's total number of full time equivalent positions. The variable is log transformed to deal with skewedness. In general, size can be measured in several ways. Kimberly (1976), cited in Foster and Meinhard (2005), identified four conceptually independent aspects of organizational size: physical capacity, personnel available (number of employees), inputs and outputs, and discretionary resources available (i.e. budget). The choice of measurement should depend on the objectives of the research. Since this study focuses on organization-environment transactions with philanthropic foundations, ideally *annual budget* should be chosen as the criterion for size. However, I opted to measure size by the *number of employees* due to the high correlation between budget and the dependent variable.

4.4.2.2. Organizational Structure

Previous studies often operationalized organizational structures using a single, sometime only binary, measure of *professionalized* / *grassroots* structure. This operationalization did not adequately represent the entire structural spectrum (see Brulle & Jenkins, 2005 p. 154). Responding to this criticism, I use four measurements of organizational structure: two measures

of grassroots structure (membership and volunteers) and two measures of professionalization (legal status and board size).

Active membership is a proxy for organizational grassroots structure. The measure is a logarithmic conversion of a continuous variable measuring the number of people active in the organization with the following response options: 10 (for < 20 members), 35 (for 20-50), 75 (for 51-100), 300 (for 101-500), 750 (for 501-1000), 3000 (for 1001-5000), and 5000 (for > 5,000 members (see Andrews et al., 2006). The z-scores of skewness (= 3.72) and kurtosis (= -0.366) indicate the logged variable is still a little skewed but within a reasonable range. I opted for a measure of the number of active members rather than a measure of registered members because active membership reflects best the grassroots nature of an organization. Furthermore, the results of a t-test suggested that there is no significant difference between the funded and non-funded groups in terms of the number of registered members.

Volunteer dependence is a second proxy of grassroots structure. It was measured in response to the question "How dependent is the organization on volunteer work?" The item was assessed on a five-point Likert-style scale with anchors being 1 - 'not dependent at all', and 5 'dependent to a large extent'.[19] The variable was reverse-ordered in the analysis so that higher values indicate a lower dependency level on volunteers.

Formalization / Legal status is a binary variable, coded '0' for nonregistered and '1' for organizations registered as nonprofits with the Registrar of Associations. Nonregistered organizations accounted for sixteen percent of the sample. These organizations could still benefit from foundation funding by channeling the funds through a third party.[20]

[19] Seven organizations that reported in a previous question that they had no volunteers skipped this question, so they were manually added to this measurement with the lowest value of '1-not dependent at all'.

[20] I do not include in the model a second control for whether or not the organization has budget, because budget and registration status are highly correlated (χ^2=23.0559, p<.001), so its influence is already captured in controlling for legal status.

Legal status	Budget Y/N		
	No	Yes	Total
Not registered	8	8	16
Registered	5	79	84
Total	13	87	100

Centralization / Board size is a continuous variable measuring the number of members sitting on the organization's Board. To operationalize this variable, respondents were asked to list the names of all board members in the organization, including the chair. The variable is normally distributed.

4.4.2.3. Strategy of Operation

A basic dichotomy of institutional *strategies* (e.g., advocacy, litigation, public campaigns, research, or educational activities) versus direct action (e.g., protest, boycotts, community organizing) is commonly used in the literature (Brulle & Jenkins, 2005; Jenkins, 1998). However, this basic distinction could not be unyielding because many organizations today employ more than one type of action (Bartley, 2007). Coalitions and networks of ENGOs with elite alliances open the field to more complex relationships with other stakeholders and require the use of diverse strategies (Diani, 2000).

Thus, in operationalizing strategies of operation, I use an alternative approach of looking at the *target audience* of the organization. On a Likert-scale ranging from 1 (Not at all) to 5 (Extremely), survey respondents were asked to rate the extent to which their activity is intended to affect / reach different sectors, or target audiences. Ten potential target audiences were listed (see Table 4.3).

Principal component analysis (PCA) was conducted on the ten potential target audiences to determine commonalities. The criteria I used in the analysis to determine the factor structure are: exclude items with communalities lower than .50 or with double loadings, and retain items with a factor loading equal to or greater than .40. The items 'planning and zoning boards' and 'international bodies' as target audiences were removed due to low communalities. The items 'the general public' and 'local authorities' were removed due double loading.[21] The remaining six items loaded on *three* components representing distinct target audiences – government, corporations, and individuals. The components had good Cronbach's α reliability scores,

[21] The latter two items are displayed given that their factor loadings were greater than .40, but they are excluded in constructing the aggregated components.

indicating a reasonably high degree of internal consistency. Descriptive statistics of these three variables are found in the next chapter (Table 5.4).

Table 4.3: Factor loadings of target audiences (n=86)

Target audience		Mean	SD	Component (target audience) 1 Government	2 Corporations	3 Individuals
1.	*Elected Knesset members*	2.98	1.37	.872	.	.
2.	*Appointed government officials*	3.53	1.39	.863	.	.
3.	*Investment groups / banks*	2.67	1.44	.	.869	.
4.	*For-profit corporations*	2.48	1.39	.	.848	.
5.	*Individuals*	3.91	1.23	.	.	.836
6.	*Local community*	4.31	1.10	.	.	.770
7.	*Local government authorities*	4.29	.86	(.654)	.	(.490)
8.	*General public*	4.08	1.12	.	(.594)	(.448)
9.	*Planning and zoning boards*	3.58	1.32	--	--	--
10.	*International bodies*	2.07	1.28	--	--	--
Cronbach's α				.859	.785	.614
% of variance explained				25.34	24.52	23.41
Eigenvalue				2.03	1.96	1.87

** Extraction Method: PCA with Varimax rotation. Rotation converged in 4 iterations. Only coefficients > 0.4 are displayed.*
**The Kaiser-Meyer-Olkin measure of sampling adequacy showed adequate fit (KMO=.588), and the Bartlett's test of sphericity indicated that correlations between items were sufficiently large for PCA (χ^2 (15)=161.62, p <.001).

The three target-audience factors emerging from the PCA seem to challenge the traditional institutional / direct action division. It suggests that various types of strategies can be used towards a common targeted audience. When government or corporations are the targets, both institutional (e.g., legal action against a factory) and contentious strategies (e.g., demonstration against a polluting factory) can be used by the same organization, or by different organizations, which still have a common target. This operationalization also adds a perspective of corporations as the target audience of advocacy, which is not well captured in the original conceptualization of institutional vs. direct action strategies.

4.4.2.4. Ideational Characteristics

Ideational characteristics are operationalized using a measure of environmental paradigms. Some previous analyses have been criticized for categorizing ENGOs based on a single paradigm, where in fact it is fair to assume that ENGOs are able to encompass more than a single ideology (Andrews & Edwards, 2005; Bartley, 2007). My approach for measuring environmental paradigms is therefore consistent with Andrews and Edwards's (2005) in that it allows organizations to identify with more than one paradigm rather than treating them as mutually exclusive.[22]

I use the concept environmental paradigm because this is the term being used in Israel to depict environmental ideology (Orenstein & Silverman, forthcoming; Schwartz, 2009). Schwartz (2009) associated developments in Israeli environmentalism since the state's inception with three paradigms – nature conservation, scientific environmentalism [which I label public health], and sustainability. As a seminal writer among Israeli environmentalists, Schwartz's paradigm classification became popular in the Israeli ENGO milieu and "has been very influential in spurring a reflective re-assessment of practice in many [environmental] circles" (Dunetz, 2002). I describe here these paradigms and comment on their relevance to Israel.

The first – nature conservation – paradigm is characterized by a romantic emphasis on nature conservation, viewing the natural world as a separate entity from humans with its own 'internal' values. Identified problems under this paradigm include biodiversity, open spaces, and nature reserves; nature is perceived as spiritual and a source of wonder and emotion. The moral approach is thus biocentric. This paradigm has a unique cultural expression in Israel by associating nature protection with the Zionist narrative of Love of the Homeland and the Zionist ideology of the redemption of the land (De-Shalit, 1995; Tal, 2002). The centrality of nature

[22] To support the use of multiple environmental paradigms, I counted the number of paradigms with which ENGOs have 'identified' or 'greatly identified' (values 4 and 5 on the Likert scale ranging from 1 to 5). The results show that organizations tend to sort themselves into more than a single key paradigm: 69% of organizations identified with the 'sustainability' paradigm, 76% identified with the 'public health' paradigm and 86% identified with the conservation paradigm. When all nine items of the paradigm scale were ranked (before factor analysis), the average number of paradigms with which the organizations identified or highly identified was 6.49 out of 9, a fairly high number by all measures. On the one hand, this over-plurality perhaps points to the indistinctness of paradigms among groups in the field, and to the questionable influence of paradigms on the day-to-day work and possible solutions to environmental problems.

education through hikes and trips, and through acquaintance with the local plant and animal life, is part of this trend too. For example, the ideological orientation of Israel's largest ENGO – the Society for Protection of Nature in Israel (SPNI) - in its early years underscores the essence of this paradigm.

The second - scientific environmentalism – paradigm focuses primarily on issues of public health and identifies air, water, and soil pollution, and dwindling natural resources as a pressing health problem (Orenstein & Silverman, forthcoming; Schwartz, 2009). It is a more pragmatic paradigm, relying on tools of science, law, and land-use planning. The moral approach is anthropocentric. The paradigm reflects a shift from relating to 'nature' to relating to the 'environment,' and viewing humans as a part of the natural world in an interdependent relationship. In the 1980s, this paradigm began to be interpreted in terms of public health discourse when newly established ENGOs increasingly focused on issues related to air and water pollution, proximity to industrial facilities and so on. One of the prominent ENGOs in the initial phase of this paradigm was Malraz – the Public Council against Noise and Air Pollution (Tal, 2002). I label this paradigm as the public health paradigm.

The third – local sustainability - paradigm denotes a community based environmental perspective that integrates broader social and economic issues into the environmental agenda. It incorporates issues of social justice and distributional justice on the one hand, and economic tools, many times place-based economy, on the other hand. In this paradigm, a more pluralistic agenda, including such issues as rapid population growth, increased material consumption, militarism, and the inequitable distribution of wealth are also addressed. The paradigm transcends the individualistic and scientific public health approach into the communal quality of life approach, particularly as it relates to spatial planning and design. The connection of the environment to various professions become a central theme in this paradigm, as illustrated in the following quote: "agriculture, architecture, engineering, landscaping, and urban planning, are all forms of human-environment connection, where environmental considerations should be taken into account" (Schwartz, 2009).

These environmental paradigms do not fully correspond with other discursive frames suggested in the American literature, e.g. (Brulle, 2000). The analysis of the paradigms is, therefore, inductive and exploratory in nature based on their relevance to the Israeli case.

Operationalizing and validating the paradigms in the survey tool. Respondents were asked to rate the identification of their organization with nine items depicting different environmental approaches associated with environmental paradigm (see Table 4.4). Ranking was given on a Likert-scale from 1 (In no way identifies) to 5 (Greatly identifies). PCA was conducted on the 9 items to determine commonalities.[23] The item 'Anti-globalization/Global justice' was removed due to low communality and factor loading. The remaining items loaded on *three* factors – *sustainability*, *public health* and *nature conservation* – that correspond to Schwartz (2009) typology of environmental paradigms. The factors had good Cronbach's α reliability scores. Descriptive statistics of the three factors are found in the next chapter.

Table 4.4: Factor loadings of environmental paradigms (n=91)

			Component (paradigm)		
			1	2	3
Environmental paradigms	**Mean**	**SD**	**Sustainability**	**Public health**	**Nature conservation**
1. Economic tools in env. policy	3.91	1.15	.825	.	.
2. Environmental technology	3.62	1.32	.749	.	.
3. Sustainable development	4.56	.93	.719	.	.
4. Environmental justice	4.29	.94	.649	.	.
5. Public health	4.19	.95	.	.854	.
6. Right to the environment	4.44	.91	.	.838	.
7. Nature conservation	4.55	.73	.	.	.863
8. Love of the Homeland	4.25	1.02	.	.	.847
9. Anti-globalization/global justice	2.88	1.29	--	--	--
Cronbach's α			.754	.726	.653
% of variance explained			28.37	21.79	19.09
Eigenvalue			2.27	1.74	1.53

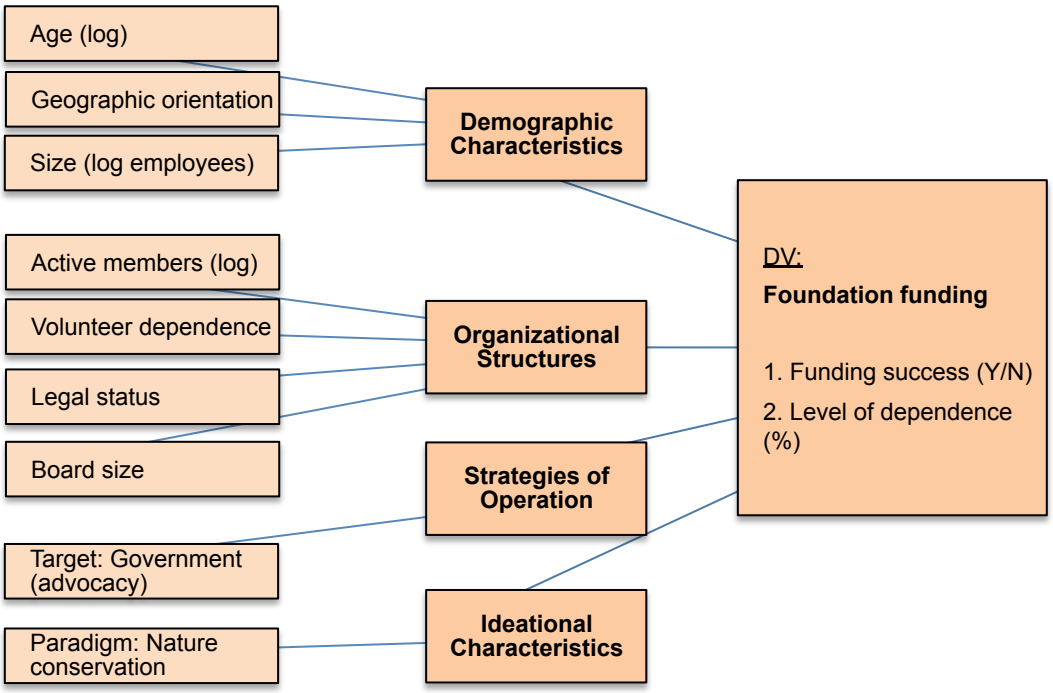
Extraction Method: PCA with Varimax rotation. Rotation converged in 4 iterations. Only coefficient values above 0.4 are displayed

[a] The Kaiser-Meyer-Olkin measure of sampling adequacy showed adequate fit (KMO=.686) and the Bartlett's test of sphericity indicated that correlations between items were sufficiently large for PCA (χ^2 (28)=192.63, p <.001).

[23] I used the following criteria to determine the factor structure: (a) retain items with a factor loading equal to or greater than .40, and (b) exclude items with double loadings and communalities lower than .50.

In this section, I described the study's quantitative method of analysis, and operationalization of the theoretical concepts. Figure 4.2 provides a schematic model of the operationalization of the concepts of interests. The model findings are presented in the next chapter.

Figure 4.2: Schematic model of analysis



4.5. The Qualitative Study

The aim of the qualitative component of the study is to foster a discussion grounded in the quantitative findings on the *selection mechanism* involved in the relationships between foundations and grantees. I contemplate on the idea that there are 'winners' of foundation funding, but also those that do not receive foundation funding. The non-recipients are not a universal group hence should fall into different groups.

In-depth face-to-face and phone interviews are used to further explore issues related to the selection mechanism: the organizational barriers to NGO-foundation relationships, the various perceptions within the organizations about their relationships with foundations, and the underpinning of the NGO-foundation selection processes as identified in the theoretical chapter.

4.5.1. Research Design

I use a case study research design to inform the qualitative analysis of the selection mechanism involved in the relationship between foundations and their grantees. Using a case study method to augment quantitative findings is a well-recognized methodology (Yin, 2009). Case studies provide a rich and 'thick' description of a phenomenon, which cannot be equally captured through quantitative research.

Yin (2009) defines the scope of a case study as investigation of a phenomenon within its context, specifically because the researcher believes that the contextual conditions might be relevant to and influential on the phenomenon. When contemporary phenomenon is involved and when in-depth understanding is needed, case study is a relevant choice (Yin, 2009). Case studies are useful in building theory (Eisenhardt, 1989). As Eisenhardt and Graebner (2007, p. 25) posited:

> Building theory from case studies is a research strategy that involves using one or more cases to create theoretical constructs, propositions and/or midrange theory from case-based, empirical evidence. […] The central notion is to use cases as the basis from which to develop theory inductively. The theory is emergent in the sense that it is situated in and developed by recognizing patterns of relationships among constructs within and across cases *and* their underlying logical arguments.

One of the advantages of using the case study design is the ability to use both qualitative methods (e.g. interviews) and quantitative sources (e.g. survey) to inform an understanding of a phenomenon. Findings of a case study can clarify context more than to generalize to population (Van Evera, 1997; Yin, 2009); generalization is the case study's weakest part (King, Keohane, & Verba, 1994; Yin, 2009). In contrast to population studies that examine prevalence of major issues across a population, case studies cannot answer questions concerning the prevalence of particular issues, strategies or practices in the broader population, and may over-represent novel strategies (Andrews & Edwards, 2005, p. 217).

4.5.2. Data Collection

The analysis is based on in-depth semi-structured phone and face-to-face interviews as well as email correspondence held with representatives of Israeli ENGOs and other key informants from May through July 2011. **Fifteen** ENGO representatives and **five** experts and foundation

representatives were interviewed (total n=20 interviewees). Interviewees represented a multiple organizational perspectives: from small organizations that had no foundation funding, and were struggling to receive such for the first time, through organizations that had no or minimal support from foundations while having alternative sources, to organizations that had already established some relationships with foundations but were still looking for the golden path. Interviewees were selected based on information provided in the survey described above. Organizations reporting to have no foundation funding, or those that applied for foundation grants unsuccessfully, were contacted with request to participate in a more in-depth study. If consent was granted, face-to-face or phone interviews were scheduled. Interviews lasted between 45 (most phone interviews) to 90 minutes (face-to-face interviews). In the interviews, some questions were prepared in advance to trigger the interview discussion, and others were developed based on interviewees' response. The interviews assisted to better understand the connections established between donors and grantees and especially the barriers of ENGOs who were not successful in being selected by foundations to receive financial support. Media and published reports were also collected and analyzed to supplement the interviews in provide a narrative of ENGO-foundation relations.

4.6. Chapter Summary

Using a mix of qualitative and quantitative methods, I designed a study that explores foundation relations with Israeli ENGOs. A mixed-methods design is the most comprehensive way for understanding a phenomenon. In the next chapter, I first present findings from a quantitative study and then utilize qualitative interviews that add context and provide deeper insight into the barriers of foundation-grantee relations.

CHAPTER 5:

Research Findings: ENGOs, Selection, and Foundation Funding

5.1. Chapter Overview

This chapter presents findings of the study. In the first part of the chapter, I provide a portrayal of financial characteristics of Israeli ENGOs (budget, sources of funding) and identify the centrality of foundations as a funding source in order to justify foundation funding as the focus of this study. I then present the results of two bivariate analyses, based on which regression analyses are informed and presented in the third part:

- In the descriptive section, frequency tables and graphs with aggregated data of the ENGOs' revenue sources, as well as demographic variables, are presented.
- In the bivariate analysis section, t-tests are first presented for group comparisons of ENGOs receiving foundation funding vs. those who do not. Then, the independent variables used in the regression models are examined in a correlation matrix.
- In the regression section, a series of regression models are conducted to examine the extent to which the identified organizational characteristics (independent variables IV) affect the funding success and the level of dependence on foundation funding (two measures of the dependent variable DV). Logistic regression is used in reference to the binary representation; Tobit and ordinary least square (OLS) models are used with the continuous representation of the DV; the OLS model is the base reference with which the Tobit models are compared. The reason for these models' choice is discussed in more detail below.
- In the qualitative section, I compare findings from the quantitative regression model against data collected from grantees using in-depth open-ended interviews about their relations with philanthropic foundations. The goal of this section is to foster a qualitative and nuanced discussion on the relationships between foundations and non-funded groups.

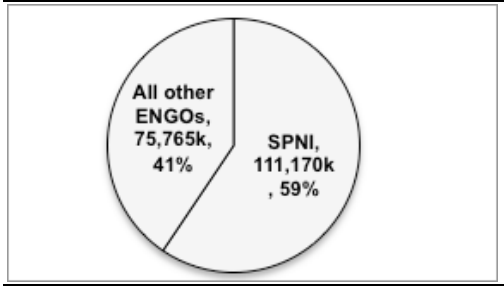
5.2. Descriptive Quantitative Findings: Dependent but Viable

The study's first research questions were descriptive, focusing on issues of resource dependence and revenue diversification of Israeli ENGOs. One goal was to describe the revenue structure of Israeli ENGOs, and the other was to assess the degree of ENGOs' dependence on foundation funding. The findings present a diverse spectrum of ENGOs, ranging from neighborhood groups with small budgets and no assets to well-established institutions like The Society for the Protection of Nature in Israel (SPNI) and the Heschel Center for Environmental Leadership.

5.2.1. Revenue and Sources of Funding

Total revenues. The revenues of Israeli ENGOs were calculated from the study. In 2009, the approximate total revenues of the 100 responding organizations was a little less than 187 million New Israeli Shekels (NIS), which is roughly 50 million US dollars (Figure 5.1). [24] However, almost 60% of this budget went to a single NGO: the *Society for the Protection of Nature in Israel* (SPNI) with revenues of over 111 million NIS in 2009. SPNI is the largest and oldest ENGO in Israel and clearly an outlier skewing the budget data upwards. The remaining 75 million NIS (accounting for 41% of the total budget) went to all other ENGOs. Because of these unique circumstances, I use categorical representation of the revenue data. By using categorical budget data, the impact of SPNI as an outlier is minimized.

Figure 5.1: Revenue of Israeli ENGOs (in NIS; n=100)



[24] The budget data are estimates constructed by triangulation of data from financial reports submitted by the ENGOs to the Israeli Registrar of Associations, and from data reported in the survey. In 14 cases, the "original" budget category reported by the organization in the survey did not match the revenues reported in financial statements to the Registrar of Associations. Mostly, the gap was small; still, it shows that financial reports and survey data are not fully aligned.

ENGOs by size of revenue. Figure 5.2 presents an interesting distribution of revenue data. On the one end, 27% of the organizations reported operating with no or minimal budget smaller than 25,000 NIS, indicating the 'voluntary' nature of some of the NGOs. On the other end, almost a third (32%) of respondents reported incomes of over 500,000 NIS, implying sufficient resources for the hiring of several employees and renting offices. Nine percent of respondents (mostly national groups) reported budgets that approach 1-million US dollars (over 3m NIS).

Figure 5.2: ENGOs by size of revenue (in NIS; n=100)

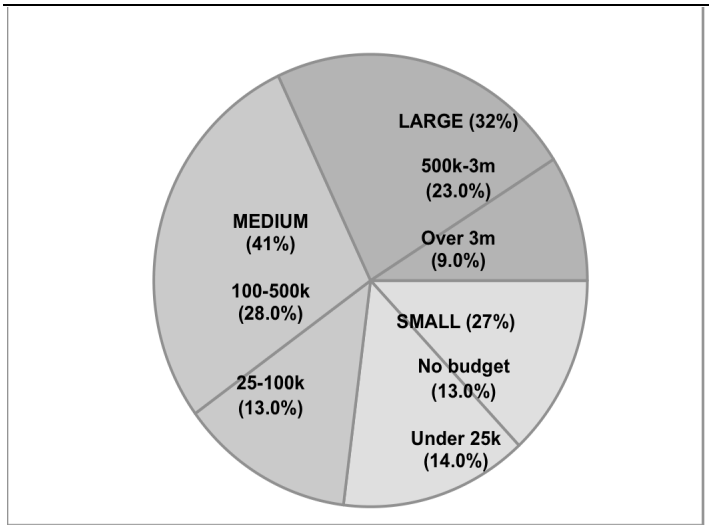


Table 5.1: ENGOs by size of revenue (in NIS; n=100)

Budget in NIS	%
0 (no budget)	13.0
Under 25k	14.0
25-100k	13.0
100-500k	28.0
500k-3m	23.0
Over 3m	9.0
Total	**100.0**

Sources of funding. The following figures and tables reveal the centrality of foundations as a source of revenue for Israeli ENGOs, and justify the focus on foundations in this study. Data are presented for organizations with budget only (n=87), while NGOs with no budget are excluded (n=13). Overall, foundations were: (1) The most prevalent source of funding with 76% of

organizations receiving some form of support from foundations (Figure 5.3); (2) The major source of funding, with an average of 41% of the revenues for ENGOs with budget originating from philanthropic foundations (Figure 5.4, Table 5.2); and (3) The source of funding upon which organizations had the highest level of dependence, with 40% of ENGOs relying on foundations for more than 50% of their budget.

These data suggest a continuing trend, starting in the 1990s (Karassin, 2001), of the growing dominance of foundation support in the revenues of Israeli ENGOs. The majority of these grants were made available in the form of earmarked, project-specific grants (Table 5.2), but for this analysis I do not make a distinction between general support and project-specific funding.

In contrast to the centrality of foundation funding, just over a quarter of the revenues of Israeli ENGOs is self-generated or originating from membership fees (16% and 10% respectively). These are internal sources of revenue that can help reduce financial dependence on the external environment, and as such, contribute to an organization's long-term sustainability (Tait, 2011; Oser, 2010).

Figure 5.3: Israeli ENGOs by sources of revenue (n=87)

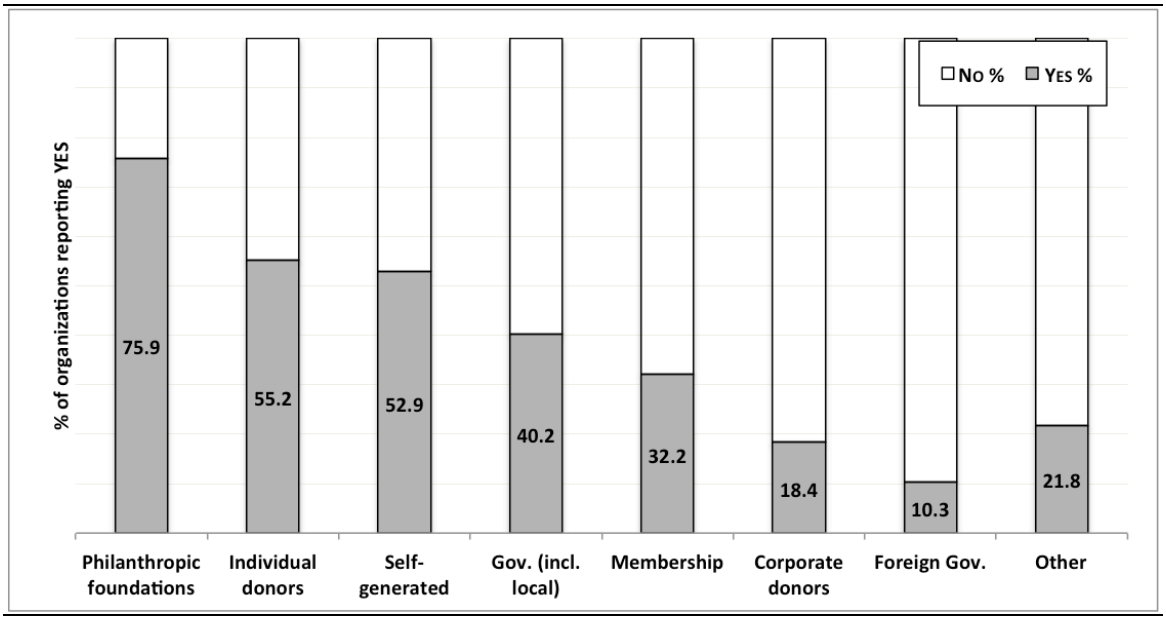


Figure 5.4: Budget breakdown by source of funding (n=87)

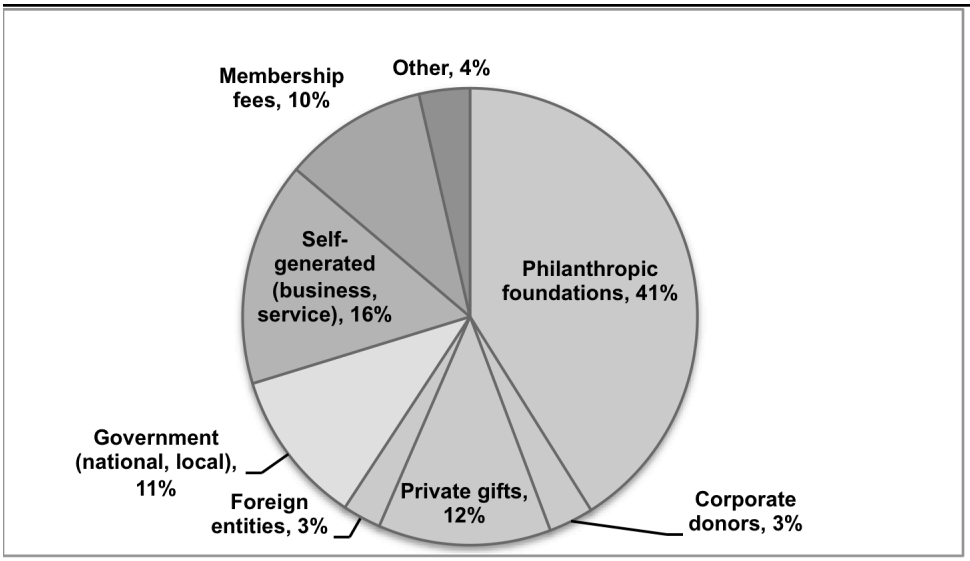


Table 5.2 points to another issue often-discussed with regards to philanthropic foundations in Israel, which is the Israeli or foreign geographic origin of the donors. Because many of the international foundations supporting the environment have Israeli offices or representatives, the actual origin of their funds might be unclear, making it difficult for organizations to distinguish between foreign and locally generated foundation support (Gidron et al., 2006). For example, the Goldman Fund, The Green Environment Fund, and the Beracha Foundation – the three major foundation funders of Israeli ENGOs – all have a presence in Israel, yet the bulk of their funds comes from foreign donors. Therefore, the assumption is that the vast majority of foundation funds distributed to Israeli ENGOs did not come from Israeli citizens. Accordingly, it would appear that slightly less than half of the financial resources available to Israeli environmental groups come from foreign sources (41% foundations, 4% private gifts from abroad, and 3% foreign entities; even some of the corporate money originated from overseas companies). This finding suggests that during the past two decades, Israel's environmental movement has become increasingly dependent on international support, with large part of this international support originating from Jewish philanthropy. This is evidence to the build up of the movement owing to foreign money (compare with Bartley, 2007). More recently, efforts are being made to reverse this trend and increase funding from self-generated sources and Israeli philanthropy.

Table 5.2: Detailed budget breakdown by source of funding (n=87)

Budget breakdown (%)	Mean	SD
Philanthropic foundations	**41.1**	**(37.4)**
Of which: General	14.6	
Project-specific	26.5	
Corporate donors	**3.2**	**(10.9)**
Individual donors *(incl. endowments)*	**12.3**	**(22.8)**
Of which: From Israel	8.6	
From abroad	3.6	
Foreign entities / governments	**2.7**	**(11.5)**
Israeli government sources	**11.0**	**(21.3)**
Of which: National	5.9	
Local authorities	5.1	
Self-generated income	**15.9**	**(24.2)**
Of which: Sales, business initiatives	5.5	
Contracts, fees for service	9.4	
Investment	1.0	
Membership fees	**10.2**	**(22.8)**
Other	**3.6**	**(10.8)**
Total	**100.0**	

From Table 5.2 we further learn that Israel's central government, which in the 1970s and 1980s often provided the lion's share of the budget for ENGOs (Yishai, 1979), is responsible for only 6% of their funds today, with additional 5% of the support coming from local authorities and municipalities (still low compared to international standards). The general Israeli public – as reflected by funds originating from individual donors (9%) and membership fees (10%) – contributed 19% of the movement budget. Israel's business sector appears to be only marginally engaged in supporting ENGOs, contributing a negligible 1-2% to ENGOs' revenues (additional 1% is from foreign corporate donors). Clearly, there are ENGOs that will reject the option of corporate donations in principle (Greenpeace even refuses foundation support based on concerns about the 'dubious' origins of philanthropic money).

Table 5.3: ENGOs' dependency relationship with donors

Dependence (at least 50% of budget comes from a single funding source)	**N**	**%**
No dependence	17	19.5
Philanthropic foundations	**35**	**40.2**
Private donors	11	12.6
Self-generated income	7	8.0
Israeli government sources	6	6.9
Membership fees	6	6.9
Corporate donors	2	2.3
Foreign entities	2	2.3
Other	1	1.1
Total	87	100.0

Finally, philanthropic foundations are also the most critical funding sources for ENGOs. I define 'critical funding source' as a source of funding that accounts for 50% or more of an organization's total budget. In a given year, each ENGO can only have one critical funding source, or not have such source at all (if no single funding source exceeded 50% of budget, or two sources each accounted for 50%). In Table 5.3, it is apparent that foundation funding is the critical funding source for more than one-third of the organizations in the sample (40%).

In sum, the centrality of philanthropic foundations is evident in each of the above measurements, justifying the logic for choosing foundation funding as the focus of this analysis.

5.2.2. Independent Variables

Table 5.4 summarizes the descriptive statistics of the independent variables organized in four groupings: organizational demographics, organizational structure, strategies of operation, and environmental paradigms.

Age. The average age of Israeli ENGOs in the sample was 13 (making 1997 the average year of establishment), and ranged between one year and 60 years. Most organizations have been established since the early 1990s, as described in Chapter 2. The figures below show that the distribution is skewed to the right, with a trail in the early years of establishment and two peaks in the 1990s and in the last decade. Some decline in the establishment of new organizations is shown in recent years.

Table 5.4: Descriptive statistics for dependent and independent variables

	Description	Mean	SD	Min	Max	N
Organizational demographics						
1. Age*	Cont: years since establishment	13.27	11.14	1	60	100
	(log)	(2.27)	(.84)	(0)	(4.09)	
2. Geographic orientation	(1=National)	.41	.49	0	1	100
3. Size*	# of employees	8.29	33.02	0	300	95
	(log)	(1.02)	(1.21)	(0)	(5.71)	
Organizational structure						
4. Active Members*	# of active members	532.1	1,263	10	5,000	98
	(log)	(4.20)	(1.94)	(2.30)	(8.52)	
5. Volunteer dependence (R)	(1=high to 5=low dependence)	2.28	1.55	1	5	90
6. Formalization / legal status	(1=Registered nonprofit)	.84	.37	0	1	100
7. Centralization / board size	# of board members	6.68	3.24	0	16	92
Strategy of operation						
8. Target: individuals	Individuals, local community	4.11	.99	1	5	87
9. Target: government	Gov't & elected officials	3.24	1.30	1	5	87
10. Target: corporations	For-profit corporations, banks	2.57	1.27	1	5	87
Environmental paradigms						
11. Nature conservation	Identification with nat. conservation	4.40	.76	1.5	5	91
12. Public health	Identification with public health	4.31	.83	2	5	91
13. Sustainability	Identification with sustainability	4.09	.83	1.25	5	91
Dependent variables – Foundation funding						
• Funding success	(1= received funding)	.68	.47	0	1	100
• Level of dependence*	% foundation out of total budget	37.68	38.18	0	100	100
	(log)	(2.52)	(1.92)	(0)	(4.62)	100

* Variable is skewed; log-transformed values are used in regression analysis.

Geographic orientation. Forty-one percent, or slightly over a third of the sample, have been active across the country at the national level. This is a relatively high number, but the small geographic scale of Israel makes the national/local distinction relatively blurred.

Size. The total number of employees in the sample was 787, with an average of over eight employees per organization ($\bar{x}$=8.3). However, as is the case with other variables, SPNI is an outlier, employing a staff of 300 and skewing the data. By excluding SPNI, the average number of employees dropped to $\bar{x}$ =5.2 (SD = 13.3). Thirty-six organizations had no employees at all and

other than SPNI, the highest number of employees was 105 working as nature guides at the 'Sayarut' Nature Club. Since the variable is skewed (Skewness=7.79, Kurtosis=66.88), it was log-transformed, and as only values greater than zero can be logarithmized, a constant value of 1 was added in the transformation.

Figure 5.5: (a) ENGOs by year of establishment (b) ENGOs by age of organization

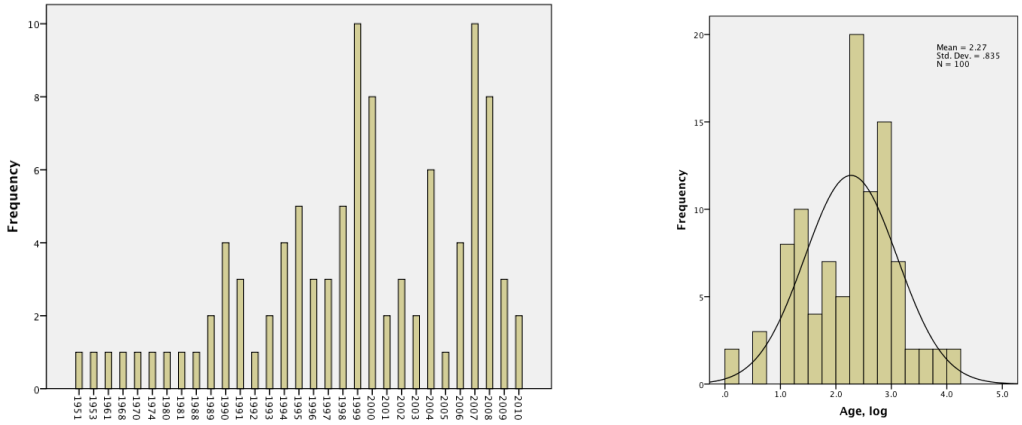
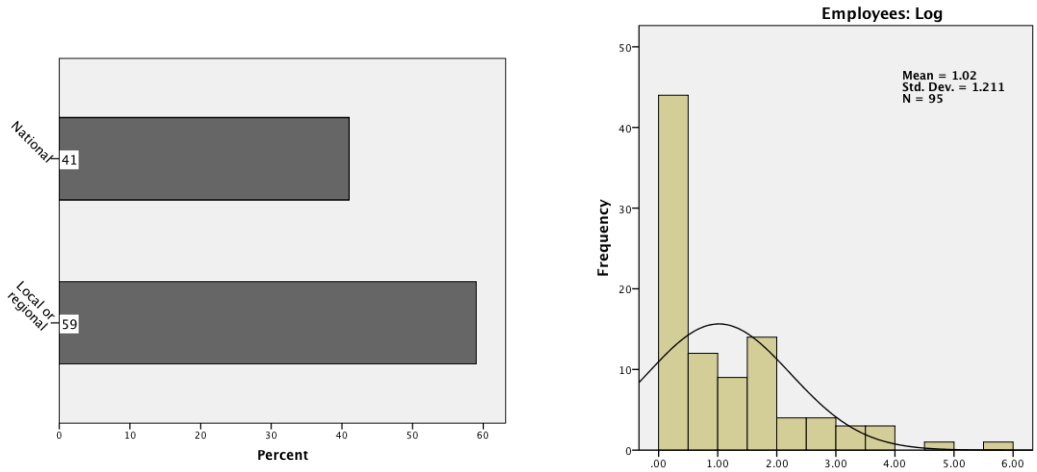


Figure 5.5: (c) ENGOs by geographic orientation (d) ENGOs by size (# of employees)



5.3. Bivariate Analysis

5.3.1. Analysis 1: T-Test

The question that needs to be addressed in a bivariate analysis is: do foundation-funding recipients and non-recipients differ in their organizational characteristics (research question 3)? Using t-tests to measure differences in means between two independent groups, I examine whether or not differences existed in the organizational characteristics of foundation recipients (group 1) and non-recipients (group 2). The examined variables are those described in Table 5.4. Sample size is not a limiting factor in conducting t-test (Norman, 2010).

Table 5.5: T-test for differences between funded and non-funded ENGOs

	Foundation funding YES			Foundation funding NO			t-value & significance
Variable	**Mean**	**SD**	**N**	**Mean**	**SD**	**N**	
Organizational demographics							
1. Age, ln	**2.29**	.84	68	**2.24**	.83	32	(-.303) NS
2. Geographic orientation	**.43**	.50	68	**.38**	.49	32	(-.484) NS
3. Size, ln	**1.33**	1.28	65	**.35**	.69	30	(-4.877) +++
Organizational structure							
4. Active Members, ln	**2.76**	1.49	68	**2.06**	1.24	31	(-3.053) +++
5. Volunteer dependence	**2.58**	1.61	65	**1.48**	1.05	25	(-3.821) +++
6. Formalization / Legal status	**.88**	.33	68	**.75**	.44	32	(-1.518) bl
7. Centralization / Board size	**7.22**	3.33	65	**5.41**	2.64	27	(-2.763) +++
Strategy of operation							
8. Target: individuals	**4.04**	.98	61	**4.27**	1.01	26	(.985) NS
9. Target: government	**3.43**	1.33	61	**2.79**	1.11	26	(-2.174) ++
10. Target: corporations	**2.62**	1.32	61	**2.44**	1.19	26	(-.603) NS
Environmental paradigms							
11. Nature conservation	**4.30**	.85	65	**4.65**	.42	26	(2.654) - - -
12. Public health	**4.27**	.80	65	**4.42**	.90	26	(.802) NS
13. Sustainability	**4.17**	.73	65	**3.91**	1.06	26	(-1.116) NS

Significance (two-tailed): NS=Not Significant, bl=borderline
When the category listed first (Y) has a higher mean value than the comparison group: + p < .10, ++ p < .05, +++ p < .01.
When the category listed first (Y) has a lower mean value than the comparison group: - p < .10, - - p < .05, - - - p < .01.

Another goal of this test is to determine which variables will eventually be included in a multivariate regression analysis. Due to the small sample size (n=100) and conforming to the 1:10 ratio rule-of-thumb in regression analysis (minimum of one independent variable per 10

cases), I limit the number of independent variables in the regression to 10. The t-test is used to select those variables that show significant differences between recipients of foundation funding and non-recipients. Test results are presented in Table 5.5.

Results: Overall, the two groups differed on most of the measured variables. This is evidence supports the goal of comparing funded and non-funded groups. More specifically, the test results portray the following picture:

1) Organizational demographics: funded organizations were slightly older than non-funded, and they were more likely to be national organization (43% of the funded vs. 38% of the non-funded in geographic orientation variable). However, these differences were not significant. Significant differences were observed in terms of size: funded groups have a much higher number of employees. Still, all three measures are used in the regression analysis because previous research consistently showed the importance of age and geographic orientation in establishing organizational legitimacy, hence opportunities for funding.

2) Structural characteristics: Significant differences between funded and non-funded ENGOs were observed on all measures (formalization/legal status has borderline significance). All variables are therefore retained for regression analysis.

3) Strategies of operation: expectedly, the non-funded organizations were more likely to target individuals at their local communities. However, the difference between funded and non-funded ENGOs was not statistically significant. Government as the target audience was the only significant difference observed between funded and non-funded organizations. Only this strategy is included in the regression analysis.

4) Environmental Paradigms are measured as a proxy of the ideational characteristics of ENGOs. The t-test shows that funded ENGOs were less likely to identify with the public health paradigm and *significantly* less likely to identify with the nature conservation paradigm. Funded ENGOs were more likely to identify with the *sustainability* paradigm, but differences were not statistically significant. Therefore only the paradigm *nature conservation* is included in the regression analysis.

5.3.2. Analysis 2: Correlation and Multicollinearity

A second test of correlation of the independent variables was conducted. I examined a pairwise correlation matrix of the variables chosen for the regression analysis. I also tested the models for multicollinearity on the entire imputed dataset. Multicollinearity can generate large standard errors in the estimated regression coefficients hence the importance of testing for multicollinearity. Tolerance and the Variance Inflation Factors (VIFs) were examined (Belsley, Kuh, & Welsch, 2004).

Table 5.6: Bivariate correlation matrix for independent & dependent variables

Correlations										
Variable	**Mean**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1. Age (ln)	2.27	1								
2. Geographic orientation	.41	.04	1							
3. Size (ln)	1.02	***.38	***.44	1						
4. # Active members (ln)	4.20	**.22	***.36	***.58	1					
5. Volunteer dependence	2.28	*.17	***.38	***.41	*.18	1				
6. Formalization /legal status	.84	.07	**.25	***.27	.14	.16	1			
7. Centralization / board size	6.68	***.44	***.29	***.47	.14	**.23	.06	1		
8. Target: Government	3.24	-.00	***.28	.06	.10	-.07	.13	.18	1	
9. Para: Nature conservation	4.40	-.08	-.08	-.08	-.01	.07	-.12	**-.27	-.07	1
10. Level of dependence	37.68	-.04	-.02	.10	.05	.08	.11	.15	**.24	**-.21
11. Level of dependence (ln)	2.52	-.03	.01	**.25	.14	*.21	.16	**.21	**.24	**-.24

* p <.1 ** p <.05 *** p <.01; ln=log-transformed variable

Results. Table 5.6 presents the correlation matrix of organizational characteristics, including the dependent variable. The correlations were generally low (less than .3) or modestly low (less than .4) with one exception: the size variable (number of employees) has relatively high correlation (more than .4 and even more than .5) with other structural measures (membership, volunteer dependence, board size). This is a reasonable result because the proxy for size was number of employees, which is likely to be correlated to other measures of professionalization – board size and lower dependence of volunteers. The correlation with active membership is somewhat surprising, because it suggests that larger organizations are not only advocacy groups with 'paper–based' membership, but are also able to mobilize supporters for active participation. Since size has low correlation with the dependent variable, it might be a sign for suppressor

variable. However, the multicollinearity results (Table 5.7) suggest that the Variance Inflation Factor (VIF) is within acceptable limits, even for the 'size' variable. The multicollinearity assumption can be violated if the Tolerance is less than .1, or the VIF is greater than 10. An examination of these indices indicated that multicollinearity was not a major problem in this study. Owing to these findings, I do not remove the size variable altogether. Rather, size is included in the models with caution, by testing models with and without the size variable (see model 4 in regression tables below).

Table 5.7: VIF & Tolerance test results

Variable	VIF	1/VIF (Tolerance)
Size	2.19	0.456232
Active members	1.61	0.622907
Board size	1.59	0.629405
Geographic orientation	1.53	0.655247
Volunteer dependence	1.34	0.748518
Age	1.30	0.766996
Target government	1.15	0.867855
Legal status	1.12	0.891915
Paradigm: Conservation	1.10	0.907685
Mean VIF	1.44	

5.4. Multiple Regression Analysis

Regression analyses are employed to assess the association of organizational characteristics with foundation funding outcomes. All analyses are conducted after the multiple imputation phase. The analyses include Logit and Tobit models; OLS models for comparative purposes are also conducted and presented in Appendix 2. Each analysis aims to address different research question. Since data are cross-sectional, causal relationships cannot be assumed. Rather, analysis is correlational, assessing the association of covariates with the outcome variable. Both the logit and Tobit models used here are *inclusive*, composed of recipient *and* non-recipient organizations, and allowing assessment on the entire sample (rather than analyzing only those organizations receiving foundation funding, which inherently creates selection on the dependent variable).

It can be argued that models with binary representations of the dependent variable examine the extensive margin or the breadth of the phenomenon: how many organizations receiving foundation funding.[25] Conversely, models with continuous representation of the dependent variable address the intensive margin or the depth of a phenomenon, which in this study is the level of an organization's dependence on foundation funding. Intensive and extensive margin are economic terms previously used in analysis of individual donations (Brooks, 2002; Israel, 2007) and are applied here for analysis of foundation donations. Logit and Tobit models fit this distinction and are described below.

Two clarifications are necessary before the results are presented. First, regarding the model fit: Standard post-estimation model fit methods – such as goodness-of-fit tests or likelihood-ratio tests (chi-squared) – cannot be directly applied to multiply-imputed data.[26] There are no readymade likelihood estimates for imputed data because the MI method produces an *approximation* of the model for each parameter *separately*, while the common likelihood methods are *simultaneous* inferences for multiple parameters. Likelihood estimates do not behave well (i.e., do not have clear and reliable interpretation) within the MI framework (Royston, Galati, Carlin, & White, n.d; StataCorp, 2011).[27] To test overall model fit, I am using instead the Wald F-statistic test for simple linear hypotheses about the parameters of each model.[28] This is not the most sensitive test, but it does give a good enough sense of overall fit. The F-statistic and significance levels are thus reported for each model.

Second, regarding the presentation of results with imputed data: the parameter estimates (i.e., β coefficients) following MI are calculated as the *average* of the estimated coefficients from all the MI datasets. The standard errors are calculated as the standard error of the coefficient in

[25] In economics, a margin is a set of constraints that limit a phenomenon. An **extensive margin** corresponds to the number of inputs that are employed; for example, in the workforce, hiring an additional worker would increase the extensive margin. An **intensive margin** corresponds to the amount of use within a given margin. For example, reducing the required production from workers would *decrease* their intensive margin.
[26] There are 3 common test statistics for regression hypotheses: likelihood ratio tests, Wald tests (F-statistic), and a method for combining chi-squares (Schafer, 1997; Allison, 2001; Little & Rubin, 2002). Likelihood ratio tests are considered the most accurate, but they are also the most difficult to calculate (Allison, 2010, p. 646).
[27] See also discussion on Stata List: http://www.stata.com/statalist/archive/2007-04/msg00217.html. Some corrections do exist, and some are implemented in -mim-, but these are complex calculations, which I do not perform herein.
[28] The command used is *mim: testparm _all*.

the individual imputations ('within imputation variance') and the degree to which the coefficient estimates vary across the imputations ('the between imputation variance').

In both the Logit and Tobit analyses, the following models are presented. In addition, several methodological tests were conducted to ensure the results are robust; these tests are found in Appendix 2.

Model 1: Funding success / Dependence on foundation funding = F [*demographic characteristics* (age, geography, size)]

Model 2: Funding success / Dependence on foundation funding = F [*demographic characteristics*, *structural characteristics* (membership, volunteer dependence, registration, board size)

Model 3: Funding success / Dependence on foundation funding = F [*demographic characteristics*, strategy / paradigm (target government, nature conservation)]

Model 4: Funding success / Dependence on foundation funding = F [*demographic characteristics*, *structural characteristics*, strategy / paradigm, without size]

Model 5 [full model]: Funding success / Dependence on foundation funding = F [*demographic characteristics*, *structural characteristics*, strategy / paradigm]

5.4.1. Logit Models

Model specifications: Logit models are estimated to answer the study's third research question, 'to what degree are organizational characteristics of Israeli ENGOs associated with the *success* of receiving funding from philanthropic foundations?' The dependent variable is *Y*=1 if the organization is selected to receive funding (n=68) and *Y*=0 if not (n=32). Table 5.8 presents the regression results of models 1 through 5 on the full sample after data imputation (n=100). In all models, the overall model fit (F-statistic) is significant so we can reject the hypothesis that all the regression coefficients are equal to zero.

Results: In Model 1, which tested the control variables, only size has significant positive association with the likelihood of receiving foundation funding. This is in line with the t-test results (Table 5.5). This association continues throughout the models, but is diminishing or mitigated

when structural characteristics are introduced (Models 2, 5). When size is removed from analysis (Model 4), structural characteristics become significant, attesting to possible interaction between the variables, as we anticipated from the correlation matrix (Table 5.6).

Examination of the full logit model (Model 5) suggests that most examined characteristics are significantly associated with success in receiving foundation funding. Both age and geographic orientation have negative significant relation, meaning that older and national organizations are less likely to be selected for foundation funding. This is a finding that challenges the t-test results, and justifies the inclusion of age and geographic orientation in the model despite their non-significance in the t-test results. Organizations expressing higher identification with the nature conservation paradigm are also less successful in receiving funds.

Table 5.8: Logit models of 'funding success' as DV (n=100)

Variable	Model 1 β (SE)	Model 2 β (SE)	Model 3 β (SE)	Model 4 β (SE)	Model 5 - Full β (SE)
Organizational Demographics					
1. Age, ln	-.40 (.32)	**-.84 (.40)	-.39 (.34)	-.58 (.38)	*-.74 (.43)
2. Geog. orientation	-.90 (.58)	***-2.20 (.82)	**-1.46 (.68)	***-2.43 (.85)	***-3.0 (1.00)
3. Size, ln	***1.44 (.43)	**1.03 (.47)	***1.49 (.44)		**.97 (.47)
Organizational structure					
4. Active members, ln		**.40 (.20)		***.59 (.21)	*.41 (.23)
5. Volunteer dependence		**.51 (.25)		***.82 (.27)	***.77 (.30)
6. Legal status YN		.69 (.73)		.67 (.74)	.32 (.79)
7. Board size		**.26 (.12)		*.22 (.12)	.19 (.12)
Strategy of operation & Env. paradigm					
8. Target: Government			**.51 (.22)	**.59 (.25)	**.63 (.26)
9. Nature conservation			*-.85 (.50)	*-1.21 (.62)	*-1.17 (.63)
Intercept	.93 (.73)	-1.99 (1.30)	3.32 (2.55)	.79 (2.92)	1.55 (3.13)
Min. Dof [29]	422.7	281.2	302.8	222.9	229.3
Wald F-statistic	***4.20	**2.40	***3.41	**2.31	**2.21

Significance levels: * p <.1 ** p <.05 *** p <.01 || No. of imputations: *m=20* ||

[29] Barnard and Rubin (1999) suggested an adjusted DoF for small sample sizes because dof cannot be larger than the sample size, but this adjustment does not change the results, and is not applied here.

On the other hand, structural characteristics have, by and large, positive effect on the funding success: larger organization (size), those with more active membership and those *less* dependent on volunteers are significantly and positively associated with success. Bigger boards of directors are positively associated in the partial models, but this association is not significant in the full model. Finally, organizations that target the government in their advocacy efforts are significantly more likely to be selected by foundations to receive grants.

5.4.2. Tobit Models

Model specifications: Tobit models are used to estimate the study's third research question. Tobit analysis measures the degree of association between organizational characteristics and the predicted level of dependence on foundation funding. A Tobit model (also called a censored regression model) is designed to work with funding / giving data where a substantial portion of the dependent variable are zeros. More generally, Tobit models estimate linear relationships between variables when the dependent variable is left- or right-censored (or both) (Greene, 2003). Censoring takes place when cases at or above some threshold, all take on the value of that threshold.

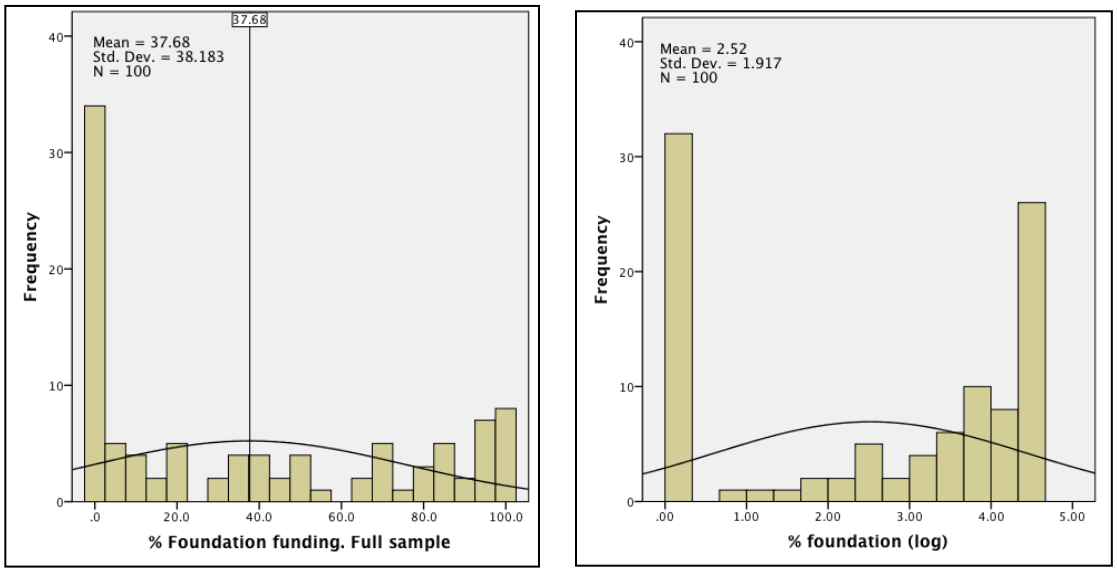
The censored nature of the study's dependent variable is reflected in the high prevalence of the 0 value (=no foundation funding) while other values have a (relatively) normal distribution ranging from 1 to 100. Tobit models require specifying lower and/or upper limits to the distribution; I set those limits at 0 and 100 respectively (see Figure 5.6). OLS regression is less adequate in situations of censored data because it is likely to provide inconsistent estimates of the parameters and drive the coefficients downward. Inconsistent estimates of the parameters mean that the coefficients will not necessarily approach the "true" population parameters as the sample size increases. Still, OLS is presented in Appendix 2 for comparative purposes.

Tobit models examine the linear effects of coefficients of the parameter estimates on the uncensored latent variable rather than on the actual observed outcome. In other words, interpretation of coefficients reflects the predicted level of dependence on foundation funding

rather than actual dependence.[30] The parameter estimates in a Tobit model reflect the success of receiving foundation funding (the extensive margin) and the level of dependence (the intensive margin). I use the continuous representation of the dependent variable on the full sample, but the log form of the dependent variable is also presented for comparative purposes.

Figure 5.6: The censored nature of the dependent variable (level of dependence)

(a) Original distribution ***(b) Logged distribution***



The use of refined regression models other than the traditional OLS, which sometimes does not adequately address the structure of data, is increasingly common in philanthropic research (Brooks, 2002; Brown & Ferris, 2007; Israel, 2007; Rooney, Steinberg, & Schervish, 2001; Wiepking, 2007). However, so far only giving by individual donors has been investigated and the more elaborated regression models have not been used to explore foundation philanthropy. With one exception (Lowry, 1999), this is one of the first studies to explore foundation giving using a Tobit model.

Results: Only three of the models – models 3-5 where the paradigm and strategy variables are included – are found to have significant model fit. This shows the relative importance of

[30] It is also possible to perform decomposition of the coefficients to calculate marginal effects (McDonald & Moffitt, 1980), but I do not perform this analysis herein.

paradigms and strategies of operation in the selection process. Organizations expressing greater identification with the paradigm of nature conservation have lower predicted levels of dependence on foundation funds, while those with higher tendency to engage in advocacy targeting government authorities are predicted to have higher levels of dependence on foundation funding.

Table 5.9: Tobit models of association with predicted level of dependence on foundation funding (DV) using MI data (n=100)

Variable	Model 1 β (SE)	Model 2 β (SE)	Model 3 β (SE)	Model 4 β (SE)	Model 5 - Full β (SE)
Organizational Demographics					
1. Age, ln	-8.23	*-15.16	-8.72	-12.46	*-13.46 (8.17)
	(7.93)	(8.50)	(7.51)	(8.08)	
2. Geog. orientation	-14.88	*-27.99	*-27.02	***-38.23	***-40.17 (14.85)
	(13.81)	(14.69)	(13.9)	(14.60)	
3. Size, ln	*12.81	3.63	*13.68		5.80 (7.32)
	(6.24)	(7.60)	(5.96)		
Organizational structure					
4. Active members, ln		3.83		5.01	3.43 (3.78)
		(3.95)		(3.22)	
5. Vol. dependence		5.90		**9.52	**8.80 (4.29)
		(4.41)		(4.24)	
6. Registered YN		17.21		13.81	12.0 (16.95)
		(17.61)		(16.73)	
7. Board size		*4.30		2.87	2.25 (2.55)
		(2.44)		(2.37)	
Strategy of operation / Env. paradigm					
8. Target: Government			**11.07	**11.72	**12.16 (4.78)
			(3.19)	(4.74)	
9. Paradigm: Nature conservation			*-15.51	*-15.08	*-15.26 (7.96)
			(5.17)	(7.95)	
Intercept	**38.85	-3.09	*76.79	26.82	36.99 (49.05)
	(18.21)	(28.06)	(41.63)	(47.01)	
/sigma [a]	***56.57	***54.73	***53.09	***51.64	***51.56 (5.14)
	(5.69)	(5.48)	(5.31)	(5.15)	
Min. Dof	89.5	68.1	79.8	58.5	55.1
Wald F-statistic	NS 1.47	NS 1.43	**2.84	**2.02	**2.12

Significance levels: * p <.1 ** p <.05 *** p <.01 || No. of imputations: *m=20* ||

[a] Sigma in the Tobit model is a measure of dispersion. It is the estimated standard deviation of the residual, and is analogous to the square root of the residual variance in OLS regression.

Structural characteristics, on the other hand, including size, present much looser association with foundation dependence. The only statistically significant structural variable is volunteer

dependence, reasonably suggesting that organizations that are less dependent on volunteers (the higher values on the scale) are associated with higher predicted levels of dependence on foundation funding. There is no greater predicted dependence for larger or more professional organizations. Even when size is removed from analysis (Model 4), structural characteristics other than volunteer dependence do not become significant, attesting to their lack of association with predicted level of foundation dependence. Bigger boards of directors are not significantly associated in the full models, but the direction of relationship is positive.

Examination of the full Tobit model (Model 5) suggests that both age and geographic orientation are negatively associated with the level of funding, meaning that older and national organizations are less likely to be dependent on foundation funding. This confirms hypothesis H5(b), as it suggests that the bigger and national NGOs are less dependent on foundations, probably because of their ability to generate revenues from other sources as well. Younger and smaller organizations, when benefiting from foundation funding, become highly dependent on their funds, as they do not normally have alternative funding sources.

5.5. Quantitative Analysis: Discussion

Previous studies have focused on measures of efficiency and accountability in foundation decisions to select grantees and were often limited to economic and financial measures of success. The picture emerging from this analysis is more nuanced as it considers sociological and political considerations alongside organizational characteristics. Comparison of the full logit and Tobit models (Model 5 in each table) suggests that, despite methodological differences and two operationalizations of the dependent variable, the findings are somewhat similar: On the one hand, age, geographic orientation, and identification with the paradigm of nature conservation are negatively associated with foundation funding. On the other hand, organizations with lower dependence on volunteers, and those engaged in advocacy vis-à-vis government have greater predicted dependence on foundation funding (positive association). These findings are elaborated below.

5.5.1. Summary of Hypotheses

Demographic characteristics:
H1a – Age will have neutral effect on the **success** of receiving foundation funding **H1b –** Age will have negative effect on the level of **dependence** on foundation funding: the younger an organization is, the higher its level of dependence on foundation funding **H1c –** National-level organizations will be more **successful** in receiving foundation funding **H1d –** Local level ENGOs will be more **dependent** on foundation funding
Organizational structures:
H2a – The more professional organizational structure an ENGO has, the higher its **success** of receiving foundation funding **H2b –** The more professional organizational structure an ENGO has, the lower its **dependence** on foundation funding **H2c –** Active members in an ENGO will have slightly positive association with the **success** of receiving foundation funding
Strategies of operation:
H3a – The more institutional strategies an ENGO is using (targeting government authorities), the higher its **success** in receiving foundation funding **H3b –** The more institutional strategies an ENGO is using (targeting government authorities), the higher its **dependence** on foundation funding
Ideational characteristics:
H4a – The more an ENGO identifies with preservation & conservation paradigms, the higher its **success** of receiving foundation funding, and **H4b –** The more an ENGO identifies with preservation & conservation paradigms, the higher its **dependence** on foundation funding

1) **Age and Geographic Orientation hypotheses (H1a, b, c, d):** The negative association with age (i.e. younger organizations are more likely to receive funds) and geographic orientation (local are more likely than national) is distinctive in the Israeli context. It runs against the original hypothesis that older organization (with greater legitimacy) and national organizations (with higher visibility) are more successful in being selected by foundations. The explanation to this finding perhaps lies in a unique practice of foundation giving for Israeli ENGOs. Several philanthropic foundations in Israel explicitly support newly founded ENGOs and grassroots environmental campaigns. The key example is *Sheli Fund* – a consortium of foundations that since its launch in 1997 has been involved in philanthropic giving to grassroots ENGOs (Ofir-Gutler, 2005). One explanation can be connected to the limited “supply” of foundation opportunities.

In a small market like that of Israel, a single foundation, or two foundations that engage in similar practice (supporting grassroots ENGOs) can really make a difference. This, on the one hand, might drive and motivate foundations to be involved in places where they have most impact. It relates to the power foundations have to be innovative and experimental in the fields they support. On the other hand, such circumstances might bias the results, as one foundation could potentially be seen as making a lot of impact, especially if the foundation either give high amounts of money to single organizations, or split their funding to many small foundations. It also attests to the power of central, key foundations in influencing the field (and hence the survey results).

The *Sheli Fund* has awarded some 6.5m NIS through 500 grants to 420 different grassroots organizations and initiatives and has been one of the noticeable sources of support for small and young ENGOs (Ofir-Gutler, 2005).[31] More recently, the *Tal Fund* has joined this funding strategy too. Both these grant-making foundations are committed to give small and short-term grants to grassroots initiatives to stimulate their environmental activity. The vision of the funders is to support smaller and newer organizations that over time will develop into more permanent organizations with greater independence and less reliance on foundation funding. That mostly smaller and newer organizations are the beneficiaries of this strategy may explain the negative association between the level of dependence on foundation funding and age and geographic orientation.

Another worthy question is why would foundations support local organizations and grassroots campaigns? The answer lies in the geographic scale: In a country as small as Israel, even seemingly local campaigns will still receive elongated national attention, and consequently financial support too. When geographical distances are small, the national / local distinction is blurred. In Israel, large national ENGOs are often engaged at the local level, while local activism can relatively easily enjoy national attention. Hence a campaign to save a sand dune at the Arava Valley became a national issue that has received the attention of foundations too, just as the efforts of the Sustainable Jerusalem Coalition to prevent the expansion of the city of Jerusalem

[31] http://www.shelifund.org.il/default.asp?PageID=18

westward became a national matter. These blurring boundaries are apparent in the sample data: When asked about their geographic focus of operations, equal number of groups described themselves as having local orientation or both a local and national orientation, while only 20% of respondents reported having greater inclination towards national activity. In fact, many of the national organizations described themselves as having mixed orientation.

	n	%
Locally-oriented	37	39.4
Mixed orientation	38	40.4
Nationally-oriented	19	20.2
Total	94	

2) **Organizational structures hypotheses (H2a & b)**, including size, seem to present much looser association with foundation dependence (the Tobit model). The only significant structural variable is volunteer dependence, suggesting that organizations that are less dependent on volunteers (the higher values on the scale) are associated with higher levels of dependence on foundation funding. This association confirms the hypothesis that foundations will tend to select ENGOs with more professionalized organizational structure (H2a) (more professionalized = lower volunteer dependence, legally registered, bigger board size, more paid staff). The findings, however, do not support the hypothesis that professionalized organizations will be less dependent on foundation money (H2b).

The full logit and Tobit models differ on two variables: **size** and **membership**. Both are significant when funding success is measured (the logit model) but shed away significance levels in analysis of dependence on foundation funding. This is an interesting trend, as it suggests that structural parameters play a role in the selection decision but less so in determining the intensity of the funding. Are organizations with or without paid staff, and organizations with small or large number of members equally as likely to depend on foundation funds? My explanation connects this finding back to the argument that small, local ENGOs are selected for funding by foundations that strategically support local grassroots community initiatives. As many as 34 respondents reported support from the Sheli Fund. In addition, in Israel membership in organization rarely is

translated to paying membership dues. There is no culture of relying on members to support the activity of the organization. Therefore, higher levels of members were associated with greater success in receiving foundation funding.

Additionally, while one would expect foundations to select only organizations that are legally registered as nonprofits, this was not the case in the analyzed data. The analysis instead suggests that formalization (i.e., legal registration) had no association with foundation funding. The sample included several locally organized grassroots campaigns that were not legally registered but still benefited from foundation funding. Among them are a campaign to save the Palmahim Beach, a campaign against oil shale drilling in the Adullam region, and two campaigns in the Arava Valley (to save an ecologically-sensitive sand dune and a pristine area from development pressures). These examples suggest that foundations supporting Israeli ENGOs are perhaps less concerned with formal registration, and make their selection decisions based on other parameters.

Foundation support to grassroots ENGOs creates a paradox: even small foundations support lead to high level of dependence. There reason is simple: as young, underdeveloped ENGOs, they are unlikely to have substantial revenues from other sources (they have undiversified revenue structure), so every foundation grant received, however small the grant is, creates immediate dependence on the foundation.[32] This condition is more manifested since foundation funding is measured as the percent of total budget. For small organizations with low budget, even small support is recorded as high percent. This stands in contrast to larger ENGOs where grant amounts are normally higher, but the percent out of their total budget is lower (if they generate revenues from other sources too). Put it differently, the picture would have looked differently had the amount of foundation funding was the used measure.

Finally, another reason that might explain the high dependence of small and local ENGOs on foundation funding is the cross-sectional nature of the sample. Since data are collected at one

[32] Examination of the top 20 dependent ENGOs in the sample (with foundation funding > 85% of budget) reveals that 12 are identified as local organizations, while 8 are national. Ironically, also listed among the top 20 is the umbrella group *Life & Environment*. Instead of collecting membership dues from its member organizations, they compete for funding from foundation with the ENGOs they represent.

point in time, it might be the case that a new organization was fortunate to enjoy a small foundation support in a specific year. However, had the survey been taken a year before or after, the budget would have been zero. In other words, since I could not use an average value over several years, budget fluctuations are greater for small organizations, and might bias the "true" findings. This is, however, a known limitation of cross-sectional surveys. If more longitudinal data become available in the future, it will be possible to better track fluctuations in foundation grants.

3) **Strategy of operation hypotheses (H3a & b):** Findings also support hypotheses regarding the strategies of operation. ENGOs that engage in institutional strategies – that is: those whose target audience is the government, and who are engaged in advocacy vis-à-vis government as their strategy of operation) increases their likelihood and predicted level of receiving foundation funding. In line with previous research, this finding suggest that foundations wish to select for their support ENGOs that are effective in advocating the government and leading change in policy. The foundations are looking for grantees that can present "results" and measurable outcomes.

4) **Ideational characteristics / environmental paradigm hypotheses (H4a & b):** The most interesting finding lies in the negative association of foundation funding with the nature conservation paradigm, which is in contrast to the anticipated hypotheses. The suggested explanation to this trend is related to the association between nature conservation and the 'Love of the Homeland' paradigm. Returning to Table 4.4 in Chapter 4, it is evident there that the construct 'nature conservation' is comprised of two items: Nature conservation and Love of the Homeland. 'Love of the Homeland' is an environmental paradigm 'endemic' to Israel, closely associated with Jewish-Zionist values. It is an environmental expression of Zionism through the connection to nature. The importance of land in the Zionist narrative, the experience of hikes in nature, which were instilled in many Israeli youth (including the author), and the importance of nature protection and beautification are all part of this storyline (Tal, 2008; Vogel, 1999).

The finding that non-funded organizations are more inclined to support the nature conservation paradigm is therefore meaningful. If indeed the non-funded organizations are

presumably more ‘Zionists’, and foundations are less inclined to select those identifying with nature conservation, it might be an indication to political preferences of foundations in making their grant decisions, and to the support foundations exert to agenda of the Israeli “left”.

This may not be a complete surprise to anyone familiar with the field given the political and social realities that dominate the media and minds of Israelis living in this period of instability. Many of the foundations that support environmental groups are making grants beyond the environment. For example, the New Israel Fund is a public charity making grants to many ‘progressive’ issues in Israel and is a partner, along with three other private Jewish foundations, to the Green Environment Fund, one of the biggest foundations supporting Israeli ENGOs. Likewise, several German foundations are contributing to environmental issues in Israel parallel to their involvement with promoting Jewish-Arab dialogue. A similar socio-political-environmental agenda dominates the grant-making practices of the Goldman Fund that has been a generous supporter of Israeli ENGOs as well as of peace-building and coexistence programs. And still, providing a quantified evidence for this foundations’ political inclination, is noteworthy.

5) Are foundations leading isomorphic processes among the ENGOs of incorporating broader social agendas into their environmental activity? Are foundations engaged in building the field of environment-social connections? On a wider outlook, this finding about foundations’ ideological preference might even suggest, then, that foundation grant-making practices facilitates the greater involvement of environmental NGOs in social issues in Israeli society, such as Jewish-Arab relations, environmental justice, promotion of civil society, and peace building. Can this trend be attributed, to some degree, to the work of foundations who select to support specific organizations and specific program? This is an important question that requires further testing in future research with longitudinal data to provide more conclusive answers to the causal relationships. However a thesis is suggested here.

5.6. Qualitative Analysis: A Profile & Typology of Non-Funded Organizations

The analysis has so far focused on the distinction between recipients and non-recipients of foundation funding. Using a quantitative approach, I examined a foundation-grantee selection model based on four organizational characteristics: demographics, structure, strategies, and ideational characteristics. The emerging findings were revealing but did not provide a nuanced explanation of foundation-grantee relations, especially concerning organizations not selected for support (non-grantees). While all social structures are dependent on relationships, or connections, the connections that do not exist are at least as important as those that do, and theories need to take this reasoning into account.

The aim of this section is, therefore, to foster a discussion grounded in qualitative findings on the relationships between foundations and non-funded groups. I consider the idea that while there are recipients of foundation funding, there are also non-recipients, and they are not a universal group. The various characteristics of the non-funded organizations should be investigated to provide an understanding of the selection mechanisms in play from the perspective of (non-) grantees. To accomplish this goal, in-depth interviews and some survey results are used to explore the organizational barriers to foundation-grantee relationships, the various perceptions from the organizations' perspective about their relationships with foundations, the selection mechanisms involved in the establishment of relationships between foundations and grantees, and the underpinning of the NGO-foundation selection processes. By and large, a quantitative approach allows more generalizations, while qualitative approach provides deeper, more contextualized, specific, and nuanced level of understanding.

Findings both confirm some of the quantitative results and provide new insights. Below, I address two questions: 1) What difficulties and barriers do non-funded ENGOs face in securing and mobilizing foundation funding? 2) How are the relations of non-funded organizations with foundations perceived and characterized?

I first discuss the connection between interview responses and the selection model tested in the quantitative analysis. I present the perceptions of non-grantees on foundation-grantee

relations, or more specifically: how do the four identified organizational characteristics pose potential barriers to their success (= being selected) in mobilizing grants. Then, I discuss opportunities for ENGOs to establish stronger relations with funders, and finally I conclude with a proposed typology of foundation-grantee relations.

5.6.1. How Can the Non-Funded ENGOs Be Characterized?

Table 5.10 displays a profile of the non-funded organizations compared to the full sample. The variables displayed are those used in the regression model. The mean value results show that, compared with the full sample, the non-funded organizations are younger, more local, smaller, more dependent on volunteers, include lower percent of registered organizations, and have smaller board size. They also reported higher level on the strategy of targeting individuals.

Table 5.10: Characteristics of the non-funded organizations (compared with full sample)

	Full sample (n=100)		Non-funded (n=32)	
	Mean	**SD**	**Mean**	**SD**
14. Age (# years)	13.27	11.14	12.53	10.56
15. Geographic orientation (1-National)	.41	.49	.38	.49
16. Size (# employees)	8.29	33.02	.99	2.54
17. Active Members (#)	532.1	1,263	94.7	188.9
18. Volunteer dependence (R, scale 1-5)	2.28	1.55	1.48	1.05
19. Registration status (1-Registered)	.84	.37	.75	.44
20. Board size (#)	6.68	3.24	5.41	2.64
21. Target: individuals (scale 1-5)	4.11	.99	4.27	1.01
22. Target: government (scale 1-5)	3.24	1.30	2.79	1.11
23. Target: corporations (scale 1-5)	2.57	1.27	2.44	1.19
24. Para: Nature conservation (scale 1-5)	4.40	.76	4.65	.42
25. Paradigm: Public health (scale 1-5)	4.31	.83	4.42	.90
26. Paradigm: Sustainability (scale 1-5)	4.09	.83	3.91	1.06

In addition, of the 32 ENGOs not receiving foundation funds, 11 had no budget at all while 21 had budget from other sources. Table 5.11 below shows that most of the non-registered ENGOs also had zero budgets hence no foundation funds. This however does not mean that ENGOs without budgets did not apply for foundation funds. Some did try and were simply unsuccessful,

and some had non-zero budgets in the past, but had zero budgets in the year the survey was conducted.

Table 5.11: Crosstab Registration status & Budget (n=32; ENGOs not receiving foundation funds)

		Budget		Total
		No	Yes	
Registered?	**No**	7 (21.9%)	1 (3.1%)	8 (25.0%)
	Yes	4 (12.5%)	20 (62.5%)	24 (75.0%)
	Total	11 (34.4%)	21 (65.6%)	32 (100.0%)

5.6.2. Barriers For Mobilizing Foundation Resources

Table 5.12 summarizes the barriers faced by ENGOs in mobilizing foundation resources as reflected in the qualitative interviews, and compared with findings in the quantitative regression model. It is organized in five sub-sections corresponding to four organizational characteristics explored earlier, and additional barriers emerging in the interviews.

Table 5.12: Barriers to foundation funding

Barrier	Evidence
1.1. Structural 1.1.1. Volunteer dependence (few or no paid staff)	Similar to regression results, higher dependence on volunteers while being short of paid staff seems to be a limiting factor in obtaining foundation funding. As an executive of a small national organization stated: *"We did not approach foundations for support although we are certain that we can make it. Lack of people and time prevented us from doing so. Everything here is volunteer-based." [AK]* *"To get foundation support, we need to have someone writing detailed applications ... and commit to this activity. I have no one who can sit and write such applications. I did try it [myself] once, but gave up … Yes we would have liked to have some organizational capacity to submit applications, some professional support. Someone who will lead the fundraising efforts and will support grant application, but we don't have anyone to do so"* [YBD] A rep of a small Arab NGOs also described it's difficulties *"I tried my luck with the foundations, but you need experts for such things. We submitted to xx but were rejected, even though*

	it's [the application] not that complicated. I did it all by myself. … I spoke to Shatil [33] and they offered me to try with donors from abroad; [they said that] *Jewish donors will support me. The problem is that it's a lot of work. You have to know the technique of how to apply"* [NAW]
1.1.2. Lack of board involvement	An interviewee described the limited involvement of board members in fundraising: *Board members are not involved in fundraising; each has his/her own business to deal with. They do not deal with financial matters of the association, but only with the professional side; administrative issues bother them not. You know, recruiting three board members to join the group activity - even for one day - is a real challenge; mission impossible. So what I mainly try to do is to keep what already exist. Basically – to survive"* [YBD] *"board members are only partially involved in fundraising. This is one of our disappointments. We were expecting them to be more involved. Maybe in the future, they'll take it more seriously. Our founder – who is also the chair of the board – encourages them to be more active. Each of them is expected to contribute 5,000 shekels or give equivalent of his / her time"* [AB] It is important to note that in the quantitative analysis, the measure was board size and its influence was only partially significant. Combining the ideas of the qualitative and quantitative constructs suggest that larger boards might be positively associated with more foundation funding, but this will happen only if board members are actively involved in fundraising efforts; otherwise larger boards (size) will be ineffectual.
1.1.3. Tax-exempt status (measure of formalization)	Several interviewees mentioned their organization's lack of tax exemption status as a barrier for receiving foundation funds (this is a parallel measure to the registration status used in regression analysis): *"In order to receive donations, the organization should have the 46a form (tax-exempt status). But I'm too lazy to submit these forms. I've kept them in my drawer for the past three years, and haven't done with them anything yet" [YBD]* *"We had a disappointing "success" story: a British foundation approached us with a proposal for 3 years of funding. They initiated the connection. They had a rep in the North [of Israel] who heard of us, because there aren't very many environmental groups around here. But it turns out that because we did not have a tax-exemption status, they could not give us the money. Such permit can be received* [from tax authorities] *only after two years of activity. By the time we got the exemption, they changed their intentions as it was already in the midst of the financial crisis"* [AB]
1.1.4. Fundraisers in Israel seek pre-payment	The reliance on freelance fundraisers is a structural barrier emerging in the interviews, which was not tested in the quantitative model. The challenge has been that freelance

[33] Shatil is the capacity-building service affiliated with the New Israel Fund

	fundraisers in Israel charge for their service even if they are unsuccessful in securing foundation funds for the organization. This barrier, however, is only indirectly controlled by foundations: *"I was thinking of hiring a fundraiser to help us with the applications, but I did not have enough money. In other countries I know, fundraisers receive payment only if successful in securing a grant. In Israel, fundraisers are asking for payment in advance, and it's hard to commit." [EM]* *"…We hired a [professional] fundraiser. She worked part time for over a year but nothing came out of it. In 2008, she submitted maybe 15 applications and none were approved. She used to look for a potential foundation, checking the deadlines, revise the application according to requirements, and sending over. I think we got nothing because we were still too young. The bottom-line: she brought us no money. She was an American immigrant with good English and Hebrew, local, familiar with the organization so we did not have to explain all from scratch, and still… since then, we did not take anyone else"* [AB].
1.2. Strategies of operation 1.2.1. Support is project-based	The quantitative model showed a positive association between the strategy of targeting authorities (advocacy) and foundation funding. Qualitative interviews supported similar proposition; once an organization 'abandoned' the advocacy strategy, foundations turned their back. *"About two years ago, we had a strategic change in our organization* – [we] *shifted to focus more on empowerment and capacity building* [of the local population] *and less so on national and international advocacy. But with this shift in strategy, we also experienced an [unanticipated] shift in fundraising. When we first tried to approach the same funding sources, we realized that donors became less responsive, so we adjusted our fundraising strategies"* [AS] Another interesting shift occurred in foundation identity: when relying on advocacy strategy, most donors the organization had were American; with the new strategic orientation, foundation donors were more European. It can also be argued that targeting government authorities serve as a proxy for effectiveness. Effectiveness seems as an area for improvement on the side of foundations. Hence, selection is only minimally relying on assessment of performance and effectiveness: *"I mean, the foreign foundation is equally responsible for this market failure, because it doesn't have the right tools for measuring where did the money go."* [BG] One mechanism for foundations to select the more 'effective' has been to commit financial support only to project-based activities rather than general operation. *"I understand foundations that decide to give project-based support only. When I request money [from someone], it has to be associated with something specific rather than for a general*

	use" [YI]
1.3. Ideational characteristics	The quantitative analysis demonstrated that identification with nature conservation paradigm was negatively associated with success in receiving foundation funding. I interpret these results to be related to the fact that nature conservation is related to the idea of "love of the homeland" and the Zionist expression also of environmental values. While it is more difficult to capture ideational barriers in qualitative results, some evidence for selection preference based on ideology / paradigms was apparent in the interviews. A representative of an environmental organization working both in Israel and the West Bank recalled her experience with a leading foundation that supports 'progressive' social issues in Israel: *"Some time ago, I approached AD 'just because I already knew him before'. He told me that on record – we cannot support you, but off record, we can. Eventually nothing materialized, but still… I think that this approach* [of not supporting projects in the West Bank] *is very problematic; on the other hand, if a support from them will materialize, I will not say 'no'.*
1.4. Demographics 1.4.1. Age	*"There are organizations out there active for 20 years now, and their reputation is known and proven. So it makes sense when foundations would prefer to select these organizations. If there is a competition between the reputable and the young and unknown – of course they'll [the foundations] give to the reputable. We are* [working on] *proving our record, but it will take time until we are better known and recognized"* [AB]. From the perspective of a young NGO, age has been a drawback, but this is not the impression the regression model portrays. If measuring only the funding success, many grassroots ENGOs do get to enjoy the funds owing to foundations exclusively supporting young grassroots initiatives (though in low amounts and for short term only).
1.5. Other barriers 1.5.1. Eligibility criteria set by foundations	The interviews portrayed additional barriers for mobilizing foundation funding. One problem, according to interviewees, is that foundations set eligibility criteria that do not address the real needs of organizations: *"There were foundations who expressed an interest in supporting us, but they required that our annual budget will exceed 500,000 NIS. Our budget is only 200,000, and next year it will be even less"* [YBD] *"We submitted applications to several foundations according to all the application requirements, but our applications were rejected …* [because] *the foundations do not like to fund strategic consultation* [which is what the NGO needed]*"* [DM] Applicants mostly said that they did not compromise their needs, or goals in order to meet foundation eligibility criteria, what basically led to their exclusion. *"We have no time to look for foundation funding. You must meet their [eligibility] criterions and it's complicated. In many cases, I see how those looking for foundation funds, first read the criterions, and then adjust their projects and applications*

	accordingly" [AA] In much the same way as personal ties can be a source of success, personal rivalries and political aversions can become barriers and source of exclusion. Even when rejection is officially presented as a matter of eligibility criteria: *"we approached xx and got rejected. The* [formal] *reason for the rejection was that our activity does not meet the activities eligible for support according to the foundation. We were in touch with the Chair of the decision committee and two other people who share their time between here and New Jersey. I assume that our application was rejected in the preliminary phase when only one of the three people we talked to was present* [in the room]*. Since I know who was sitting in the Committee that rejected our application, I can tell you that there were a few people there who are 'not our friends,' and this is an understatement. I do not know how the person we talked to has voted; I assume he support us, or maybe he was led by others to change his mind."* [YL]
1.5.2. Language and phrasing challenges	Technical challenges in submitting applications, such as having to submit the applications in English, page limit, etc. were found as recurring themes among grassroots groups with no connections to native English-speakers. *"We need professional fundraiser; someone with perfect English who can prepare position papers and grant applications"* [YBD] *"the feedback I received from people who read my application is that I must clarify my ideas and sharpen the text"* [EM] *[Grant application] is a matter of phrasing, semantics, the format of the application. You have to know what to do. To professionalize in it."* [YI]
1.5.3. Disliking the 'art' of fundraising	"*The barrier* [of fundraising] *is not a principled objection; it's mostly a matter of decision and [lack of] time. That's my personal dislike. I don't have the natural ability of fundraising with all its implications. I'm not good at it. I'm not professional enough. So I'm comfortable at this point of leaving this [task] aside, with the hope I'll be approached with offers. Also, at this point, I don't quite need the foundation money because our general operations are sponsored already*" [YI] *"I need to learn the tricks [of fundraising]. I am not like all the restaurant owners who hug every celeb and then hang the photo on the wall"* [DS] [Q: What about the fact that the money comes from overseas?]: "*foreign sources are legitimate in my opinion. [and still], I did not approach any foreign foundation. I have a mental barrier, […] In order to submit an application you have to know who to talk to. The irony is that before I founded [the organization] I worked as a fundraiser for a school, and overall I was pretty successful. I don't know why I'm not pursuing this track now*" [YI]

Many of the barriers identified in the interviews resonate with the quantitative findings, but with varying degrees of importance. In particular, while in the regression model, strategies and shared paradigms were influential measures, in the interviews, respondents spoke more about structural barriers, and less so about ideological congruity, or how their strategies of operation has influenced (positively or negatively) their funding opportunities. This is perhaps to suggest that it is harder for organizations to self-reflect on their ideological stands, while easier to observe and explain structural weaknesses and disadvantages. In other words, value-oriented, ideological congruence between foundations and grantees are likely to be more entrenched yet less visible and detectible. The ENGOs take their ideologies as given, and do not question if this is the reason for not being successful in getting foundations funding.

The barriers identified above are not all foundation-imposed; instead, a combination of internal and external barriers emerges. By internal barriers, I refer to limitations within the organization, like the lack of board support, or the personal preference of executives to shy away from the fundraising task. By external barriers, I refer to some of the requirements imposed explicitly or implicitly on the organization in order to succeed. For example, the tax-exemption status, or the exclusionary criteria set for the grant application by a foundation.

5.6.3. Opportunities

Alongside barriers, interviewees also discussed ways for creating opportunities, new ideas, and strategies for mobilizing foundation resources. While success was unsystematic for small organizations, it provides an insight about their coping mechanisms. Some of the strategies included:

5.6.3.1. Intermediaries and Collaboration with Other Organizations

One strategy for securing funding among small, unregistered NGOs was collaboration with other organizations and using their partners as intermediaries for funding transfers. The quotes in section 3.1.3 of Table 5.12 above ostensibly suggest that, in contrast to the regression result, organizations that are not legally registered, and those lacking tax-exemption status are at disadvantage. However, for the most part, nonregistered organizations could cope with this

limitation by connecting with other organizations in the movement; the partnership is then used as a conduit to transfer the funds. The collaborations, however, had some challenges:

> *"We opened an account with Green Course [a large student-run ENGO] and the money was transferred through them. … However, the people there gave us the feeling they're just doing us a favor. I felt like I'm walking on eggshells all the time, especially with the people in the accounting department"* [YL]

> *"The SPNI agreed to channel our funds, but they charge us some overhead costs"* [OS]

Membership in the Umbrella group *Life and Environment* has also enabled this type of collaboration:

> "*We once used them* [L&E] *to receive a donation. They gave a temporary solution for a donor that wished to receive a tax-deductible receipt. It worked once in the past*" [YBD]

This points to the role of intermediaries and intra-movement collaboration as strategies for overcoming the barrier of channeling funds to small, unregistered grassroots organizations or campaigns (Saunders, 2007). While for foundations this has been an acceptable 'creative' solution in the past, recent changes in the legal framework have limited this option.

5.6.3.2. Informal Personal Ties with Donors

Individuals within the organization who had some informal ties with donors were sometime a key for success. Having such connections enabled direct access to foundation leadership and to bypass or smooth out the rigid formal eligibility criteria. For example, a local campaign has managed to benefit from an 'emergency' fund for small grassroots initiatives in its early days:

> *"When our campaign just started, I was at an alumni meeting of xx and I told them about our campaign. SY [a foundation representative] was happened to be there too. She came to me right away and said, 'here you go; you have 20,000 NIS from us'. But we need much more* [money] *for such campaign. If we take a spokesperson, it costs 10-15k a month, and we don't have it. This issue of fundraising is the most challenging for us. One of the volunteers involved in the campaign is also a professional fundraiser, and even he encounters difficulties. In the environmental movement [in Israel], all the large NGOs get the money from the key foundations and the small organizations are left with nothing, unless you have the connections."*

> *"We had a volunteer involved in our campaign whose brother in the UK is connected to a British charitable foundation. This is how we received the first 10-20 thousands pounds to support our campaign."* [OS]

"We did not have connections with most of the foundations to which we applied, but obviously where we did have some personal ties, the efforts were much more successful. In general, every personal tie is a wider door opener. Overall, it is hard to get the right impression from grant proposals even if the write-up is superb. When there is a personal meeting, and [donors] see the small nuances – for example, Bedouin-Jewish collaboration – it prepares the ground for more personal evaluation rather than [your application] being one of many" [AS]

"You have to know how to write [a grant application], what to write, and you need a contact person [at the foundation], someone that can read your application, and send you some comments so we can know about them in advance and correct them. [YI]

5.6.3.3. Developing Movement-Wide Network of Fundraising and Support

Several interviewees mentioned the need to coordinate fundraising efforts at the level of the movement, rather than at the level of individual organizations, as an opportunity and solution:

"… having fundraisers [working] *at the umbrella organization* [for the benefit of the entire movement] *can address the difficulties in raising funds faced by* [small] *organizations.* [The distribution of funds] *can then be done according to needs, according to seasonality of activity, and so on. Strong organizations can mentor small organizations that are on par in their values;* [the bigger] *will cover, or participate in the financial expenses of the smaller"*. [SZ]

Strategic thinking in this direction has been underway in the past two years among a group of environmental leaders in Israel that include representatives of key foundations, the leadership team of the umbrella group *Life and Environment*, and about 10 ENGO representatives.[34] This move began with a call from various ENGOs in the field – mostly smaller organizations who felt excluded and lacked the opportunities to receive foundation funding – to think more broadly and strategically about the future of the environmental movement. The impetus for this move has been the growing financial challenges facing environmental groups in light of the global financial crisis, as well as the announcement of key American foundations to reduce their support to Israeli environmental groups (Andrea and Charles Bronfman Philanthropies) and even to close down (Rhoda and Richard Goldman Fund).[35]

[34] Source: presentation by Eilon Schwartz, 25.12.2010; personal communication, Marganit Ofir-Gutler, May 2011.
[35] http://www.goldmanfund.org/html/pressroom/press-release-110119.html

Similar initiatives are already in place in the US, as described by Straughan and Pollak (2008). They find that an estimated 5% of the total registered ENGOs in the US serve as financial support groups to other ENGOs. Among them were: fundraising groups (like Earthshare) that raise funds for a broad set of ENGOs, single-organization support groups (like the Greenpeace Fund) that raise money for tax-deductible activities of its non-tax-exempt 501(c)(4) sibling, and more than a hundred technical assistance organizations that focus on the planning and management challenges confronting environmental groups. The existence of these support organizations reflects a coordinated effort to strengthen environmental groups at the movement level, beyond the single organization.

In my opinion, this proposal for addressing some of the fundraising challenges is problematic. A movement-wide fundraising endeavor seems more like an easy solution than a sustainable solution. While it is likely to create more equitable distribution of the funds, and greater scope for the small organizations, I doubt if total amounts will change if such plan is implemented. A healthier solution is to encourage and build infrastructure among the organizations for increasing their self-generated revenues. This requires cultural adaptation, as currently the state of mind in many Israeli nonprofits, including environmental, is looking for outside resources rather than internally. Self-generated revenues will create healthy competition and more sustainable practices.

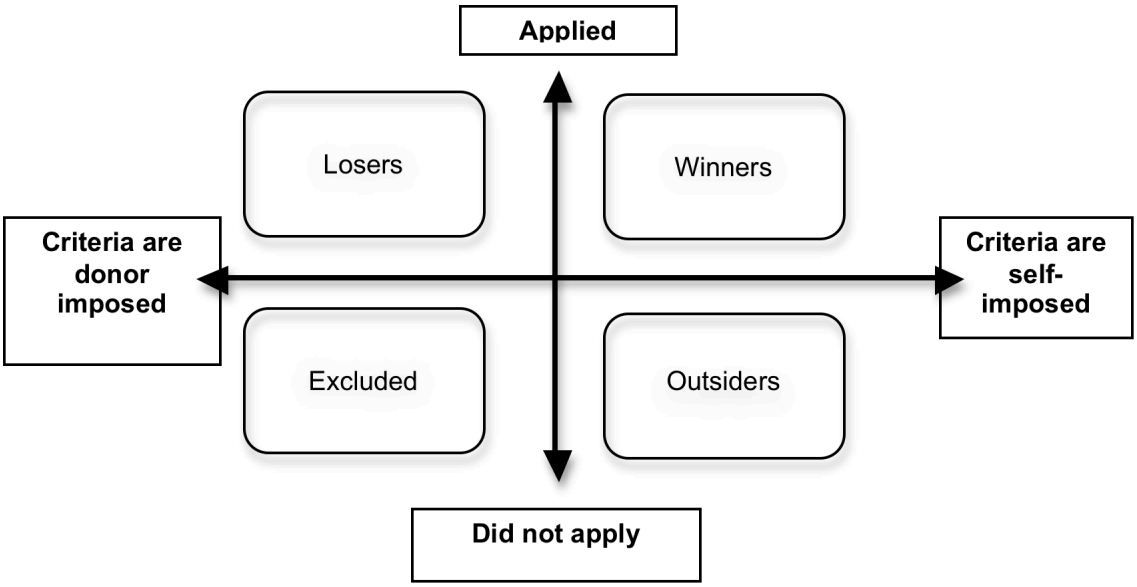
5.6.4. Typology of Non-Funded Organizations: A Tale of Competing Identities

A typology on grantee-foundation relations is proposed. While research on foundation-grantee relations normally focuses on the grant recipients, this view is too limiting. If the goal is to describe the entire pool of potential grantees within an organizational field, a wider outlook that includes the non-recipients is warrant.

Two identity axes are the basis of the proposed typology: a ‘behavior / action taken’ axis, and a ‘conditions / source of decision axis’. The behavior axis distinguishes between organizations

that applied to receive foundation funding and those who did not apply.[36] The source of decision axis distinguishes between selection criteria that are donor imposed and selection criteria that are self-imposed. The resulting 2x2 contingency table (Figure 5.7) divides grantees into 4 types: winners, losers, excluded, and outsiders.

Figure 5.7: Typology of grantees based on their relationships with foundation funders



		Selection
"Winners"	Applied and were selected by the foundation to receive funding Explicit selection process through deliberation Example: Israel Union for Environmental Defense	Donor control & Grantee have element of choice
"Losers"	Applied but were not selected / rejected. Explicit selection process through deliberation Example: Sviva Israel	Donor control / imposed
"Excluded"	Did not apply because of donor-imposed eligibility criteria; excluded from the application process	Donor control / imposed

[36] Of the 32 non-funded ENGOs, 15 applied for foundation funding, only 4 are confirmed as did not apply at all, and information was not available about additional 13. This question was not directly asked in the survey so information is limited. Many of the non-funded organizations were contacted after completion of the survey, to determine whether or not they applied for funding. Nevertheless, this category conceptually is valid.

	altogether; pre-conditionality selection Example: Israeli Permaculture Organization	
"Outsiders"	Voluntarily chose not to apply for funding (for ideological, economic, other reasons). Outside the grant-seeking market. Example: Greenpeace.	Self-selection / imposed
"Sequesters"	Lacked knowledge about the funding source. Example: Green Triangle	No selection opportunity

Several suggestions regarding the types of organizations in this typology:

- The typology offers 'ideal types' of grantees. There may be movement between the groups as relationships with donors are dynamic. The typology can be applied in different foundation-grantee relations.
- In the 'winners' 'losers' and the 'excluded', the foundations act explicitly or implicitly as selecting agents. Whereas in 'outsiders' and perhaps even in the 'sequesters' the selection is contingent upon the decision of the organizations while the foundation's actions have no or little impact. In other words, an organization has to consider its application in order to activate potential donor control.
- The 'outsiders' and sequesters - may increase heterogeneity in the environmental movement while the other three types often conform to foundation's requirements and will result in increasing homogeneity of the ENGOs.
- This raises the limitation of such a typology, in that it applies to grantees at the level of particular donors as each ENGOs may establish different types of relations with other funders. Nevertheless if there are several dominant foundations, then such a typology is useful in looking at overall foundation- ENGO relationships.

Interviews with non-funded ENGOs reveal nuances regarding the types of the non-recipients proposed in the typology. The four types of grantees offer competing narratives on their relations

with supporting foundations. The title 'competing narratives' of this section's reflects these differences

1) Those who can't but want and those who can but won't. One competing narrative distinguishes between organizations aspiring to grow but face barriers and difficulties in fundraising from foundations (the 'excluded') and organizations that intentionally avoid foundation funds (the 'outsiders'). A representative of an organization in the Arab sector lamented about the narrow definitions foundations set of what constitutes environmental:

> *"I applied three times to xx and xx foundations, and my applications were all rejected; they [the foundations] prefer [to support] known organizations. They say: write us what we want, so you'll get the money. They think that what is appropriate for Haifa and Tel Aviv fits in our town too [an Arab town]. But in my town, if a playground is missing, then I won't submit an application to hold an [environmental] education course. I submit requests based on our true needs. I do not cheat. I won't submit a request for x and use the money for y, although there are many who do that. One of the judges told me once, 'you need to "decorate" your application, but I can't"* [AA]

Not only does this quote show a difficulty encountered by those who want but can't; it also shows the power of definitions as a selection mechanism: while for the applicant, a playground for children in the town is considered 'environmental,' this definition of what constitutes the 'environment' is not congruent with the foundations' vision. Another hopeful grantee – also from a small grassroots initiative – was more blunt about a foundation rejecting his application:

> *"I tried to apply to two foundations… there was no one to talk with there… I spoke with someone whose only job is to answer the phone so that no one will bother the bosses. She has told me that I need to do everything via the Internet. … Everything had to be done through the 'system'. No interview, nothing. It was a joke"* [DS]

On the other hand, there were several non-funded organizations, varying in size and location, which were fortunate to have a big sponsor to support their work on a multi-year basis; sometime, this sponsor was also the founder of the group. For these groups, the urgency of getting foundation support was lower, and the criticism of foundation practices more apparent:

> <u>The problem of project-based support</u>: *"… The major problem of the foundations and the Ministry of the Environment is that the grants are given to specific projects and nothing [is budgeted] for general operation of the organization. I cannot understand how do they expect NGOs without funds for the general operation to function. […] If we did not have our sponsor, we would have to shut our doors long ago"* [AB].

The pressure to alter goals: *"We are so fortunate now for being supported by the founding family, who backs us and believes in us. [Still,] we need to increase the percent of revenues that we generate our own. We also need to make sure we stay on track in terms of our goals. We shouldn't make changes at any price. We have to keep our work meaningful"* [DS]

Sums are insignificant: "*We are trying to fund raise, but we do not have a positive experience with the foundations; too much paper work for insignificant sums*" [ZN]

2) Environmental SMOs – Environmental NPOs tensions. Another dimension, related to the previous axis, where variation exists is between environmental groups who think and act like social movement organizations (SMOs) and environmental groups who think and act like nonprofit organizations (NPOs). The difference between the two is that E-SMOs will aim to mobilize resources from the external environment, while E-NPOs are member-oriented associations who will look first for self-generated revenue opportunities through, for example, membership dues, or fees for service and will turn to external foundations as the last option.

For example, one interviewee initially declared that, "*we do not believe in donations in our business model*; […] *the future is only by relying on self-generate, internal sources*." Later on he described that, "*we are using an economist to write business plans for our association; [to determine] which of our products and services have clear competitive advantage; we don't have much leverage to make mistakes or navigate [the competitive market*]". This language is clearly business-oriented, and is less likely to be used by grassroots organizations, or advocacy groups. And still, when asked about applications to foundation grants, it turns that even this organization does not completely oppose an opportunity to obtain foundation support: "*we once tried to apply to the xx foundation initiative, but were rejected. We also considered applying to grants from the Ministry of the Environment, but did not meet their criteria*" [YBD].

It seems then that the interviewee rejected the option of relying on foundations because of practical reasons [difficulty in fundraising] more than a principled objection to the idea of external donors. Had this organization had the chance to receive foundation support, it would probably

accepted it. In fact, due to financial challenges, the organization has recently announced its merger with another [competitive] NGOs.

Several of the non-funded organizations in the sample were not 'typical' activist environmental-movement organizations. Rather, these were professional associations [for example, Israeli Forum of Landscape Architecture; Israel Green Building Association]. These are membership-based organizations that are not engaged in campaigning, community-based activity, or advocacy. The discourse, language, goals, and ways of implementing their mission differ from activist, advocacy groups. This distinction raises the question of inclusion and exclusion in the environmental movement in general, and in the study sample in particular. While no doubt that these associations are dealing with environmental issues, perhaps they should still be seen as interest groups more than environmental movement organizations? To answer such critique, my position is that organizations have self-selected to be part of the survey, which attest to their perception of being part of something that unites the groups together. They have self-selected themselves to be part of the environmental movement and part of this study.

While a "strict" NPO viewpoint – that of rejecting the option of external funding altogether – would perhaps position organizations holding it outside the grant-seeking market, the fact that the organizations are still willing to consider foundation funds, positions them in the space were foundation-grantee relations is possible.

One exception is Greenpeace. Greenpeace is an activist, volunteer-based environmental ENGO that rejects the SMO financial model that relies on foundation grants. In that sense, Greenpeace should probably be positioned in the far end of the non-funded axis perhaps even 'outside the grant-seeking market.' Greenpeace revenues are based almost exclusively on private donors (big and small). In addition to refusing foundation funding, they also reject corporate and government moneys and rely only on private donors. They do not however remain active at the local level only. On the contrary, their activity spans, local, national and international campaign against various environmental hazards.

Another interesting analogy made by several interviewees in the context of reliance on foundations was that organizations dealing with sustainability should be sustainable in their financial practices as well:

> *"if the goal of environmental groups is sustainability, we have to know how to sustain ourselves on the financial front too. Philanthropic foundations is a great thing because without them many organizations would not be able to start their operations; but they should be there on a short-term only, for the initial phase of the organization. On the long run, the goal should be [carrying out] only activities that can sustain themselves. For example, educational projects where you can charge some fee that will cover the activity plus overhead cost*" [YI].

This statement was made, however, by a representative of an organization that has long-term financial backing and its need to find financial resources is not as acute as in other organizations.

CHAPTER 6:

Conclusion and Further Research

6.1. Study Summary

The goal of the study was to switch the attention of the reader from the usual study of the effects of foundation funding on nonprofit organizations, to the "selection" of grantees by donor foundations. I proposed and tested a model describing the relationship between philanthropic foundations and ENGO grantees / non-grantees. In particular, I identified the *selection mechanism* as an unexplored process through which foundations sort out, or choose, the beneficiaries of their grants.

What such approach is offering is an analysis in which foundations and grantees focus on the selection decisions, and perhaps less so on the consequences of these choices. This shift in attention from the **transformation** (outcome) to the **selection** (process) raises a theoretical question of whether or not decision-makers (people, foundations) think at all of the **consequences** of their choices when making selection choices. Do foundation really want to transform the organizations they chose to support, or is this an unintended consequence. This distinction between the selection approach and the consequence / effect approach is a critical key in this thesis. To use a contemporary analogy from the entertainment field: if the study of foundation-grantee relations were a TV series, one would call it the "Marry Me" syndrome, in which potential spouses / partners try to make advantageous choices (selection) without knowing how they might be transformed as a result, and how will they transform their partners (outcome, transformation).

The study is situated within the realm of literature exploring issues of resource mobilization and resource dependence among nonprofit organizations. Using both quantitative and qualitative methods, I demonstrated that there is a relationship between grantees' organizational characteristics and foundations' selection decisions, in the sense that foundations expressed clear preference to organizations with particular organizational characteristics over organizations that lack these traits. This sorting-out, or selection, process was associated with ideational

characteristics, strategies of operation, the organizational structure, and several demographic characteristics of grantees.

The selection mechanism was explored and tested by focusing on the current state-of-affairs of Israeli environmental nongovernmental organizations ENGOs in their relationships with (Jewish American) philanthropic foundations. Since the early 1990s, the Israeli environmental movement has grown steadily, and a key reason for this growth has been the inflow of funds from foreign donors, especially American Jewish philanthropic foundations. However, an in-depth study of the centrality of foundation funding as a significant source of revenue for these ENGOs was still absent.

More specifically I examined if and how various organizational characteristics of ENGOs are associated with foundations' selection decisions. Quantitative and qualitative analyses were undertaken to answer three main research questions: To what degree do organizational characteristics of Israeli ENGOs associate with the success in receiving foundation funding? To what degree do organizational characteristics of Israeli ENGOs associate with the level of dependence on foundation funding? And, what difficulties and barriers do Israeli ENGOs encounter in securing and mobilizing foundation funding?

The study was divided into 5 chapters. Following an introductory chapter, I presented in Chapter 2 the background of the study, reviewing existing knowledge about the development of the Israeli environmental movement, Jewish philanthropy to Israel, and a synthesis of philanthropic foundations supporting Israeli ENGOs. Chapter 3 was devoted to the review of theoretical and empirical literature, from nonprofit and social movement studies, and from sociology of organizations, about resource mobilization and resource dependence of nonprofit organizations. I identified a gap in the literatures and focused on the selection mechanism as a process that might determine which grantees receive grants and how much. Consequently Chapter 4 described the methods of analysis and research design that included both quantitative and qualitative components. Chapter 5 presented the findings in three parts: 1) a descriptive analysis of Israeli ENGOs and their funding sources, with particular attention to the centrality of

philanthropic foundations in the revenue pie; 2) a quantitative statistical analysis of the association between ENGO organizational characteristics and foundation funding using survey data from 100 Israeli ENGOs; 3) a qualitative analysis of the selection mechanism between donors and grantees in the context of the Israeli environmental movement, describing the barriers and opportunities for success, and presenting a typology of foundation-grantee relationships that encompass not only the recipients, but also those organizations that did not benefit from foundations' financial support. For ENGOs, the selection mechanism serves as a tool in understanding whether or not to invest their limited resources in trying to obtain foundation funding, and to which foundations to apply. For foundations, the selection mechanism was studied to understand whether foundations tend to favor in their grant-making certain types of environmental groups over others.

Generalizability of findings. The question is whether findings of this study are generalizable to other social causes, sectors, and fields in Israel (cross-sector generalizability), and what would we expect to find in similar research outside Israel (cross-cultural generalizability). From a cross-sector generalizability to other fields in Israel, I believe the findings are likely to be relevant in other fields and other realms of the Israeli civil society, such as the peace movement, the Jewish renewal movement, and to some extent even the right-wing settler movement. Thus, comparative perspective is worthy of further exploration. In all these parallel movements, one is likely to find some similar features to those identified in the study, and some similar organizational characteristics. For example, American immigrants who live in Israel and engage in extra-parliamentarian activism are dominant in the other fields mentioned above – the peace movement, the civil rights movement, the Jewish renewal movement, and the settler movement. And their activism American-style (Laskier, 2000) is likely to attract supporters among Jewish American foundations that seek to "invest" their money and support in Israel through causes with which they identify.

From a cross-cultural perspective, Israel emerges as different from previous findings mostly from the US. Nevertheless, future research can apply the theoretical model and its related findings to other social change NGOs in fields where foundation funding is substantial. Examples

include the public health sector or other social movement organizations, such as those active in the global peace and climate change movements, those advocating on behalf of indigenous people, or people with disabilities. Many of the organizational characteristics used in this study can be translated, or adjusted, to other contexts, but the selection model itself can be relevant in various fields.

6.2. Three Study Contributions

6.2.1. Patterns and preferences of foundations' philanthropic giving exist

The study found that philanthropic foundations supporting environmental groups in Israel have differential preferences in their grant-making decisions. Some of the preference patterns were comparable to findings in previous research, while other patterns were unique to the Israeli case. Specifically, the findings regarding foundation support given to small grassroots initiatives was unique in the Israeli context, and the finding regarding the nature conservation paradigm that was interpreted as an ideological bias of foundations in support of more 'progressive,' 'liberal' left-leaning agendas. Recent political debates in Israel sought to advance legislation that limit and control contributions from foreign state entities to Israeli NGOs. The proposal was politically motivated and aimed at limiting funds to reach to human rights and other groups active in the Israeli-Palestinian debate. The findings in this study expose the problems in such proposal because the efforts to limit foreign entities (governments) might results in the understanding that some private mostly Jewish donors – foundations and individuals - are also involved and motivated to give for politically charged causes.

6.2.2. Non-funded organizations are an important (yet heterogeneous) actor to be considered

A second theoretical contribution of the study comes from its focus on both funded and non-funded organizations in the selection model. All social structures are dependent on relationships, or connections: connections between people, connections between people and other entities (groups, organizations), and connections between entities (e.g., ENGOs and foundations). Yet,

the connections that do not exist are at least as important as those that do, and theories need to take this reasoning into account.

The selection mechanism discussed in this study indeed gave an important space for the non-funded group too, including connections that do not exist within the model. The quantitative analysis compared funded (connections exist) and non-funded (connections do not exist) environmental NGOs to understand foundation preferences. The qualitative analysis uncovered the organizational barriers to foundation-grantee relationships.

Furthermore, based on how organizations' perceived their relationships with foundations, I proposed a typology of foundation-grantee relationships, which lays out a framework that includes recipients and non-recipients in the social space. It suggested that the non-recipient are comprised of several categories of organizations. While this is an important depiction of reality, it might also be viewed as a study limitation, because grouping together the non-funded might introduce some bias, if the unfunded organizations are too heterogeneous.

At the same time the group of funded ENGOs is also aggregated: those funded by single foundation and those funded by multiple foundations; those funded for project-specific initiatives, and those benefiting from foundation funding for their general operation. Such groupings, as long as they are well justified, are legitimate and are an inherent quality of a quantitative approach; one always looses on the details in order to gain an opportunity to generalize findings. This is an inherent tension of the differences between qualitative and quantitative analysis.

6.2.3. Methodology for dealing with organizational data, in particular with missing values

A third important contribution of this study is methodological. This contribution involves the use of Tobit regression to analyze foundation giving. The use of refined regression models other than the traditional ordinary least square (OLS) regression is increasingly common in philanthropic research. While the OLS model is the base reference in regression, the model sometimes does not adequately address the structure of data. For example, OLS is less

adequate in situations of censored data because it is likely to drive the coefficients downward. Previous works in the field of philanthropy – such as those by Brooks (2002), Brown and Ferris (2007), Israel (2007), Rooney, Steinberg, and Schervish (2001) and Wiepking (2007) have all used Tobit models in their analysis. However these analyses were all done with individual giving data rather than foundation giving data. With one exception (Lowry, 1999), this study is perhaps one of the first to explore foundation giving using a Tobit model.

6.3. Study Limitations and Further Research

No study is without limitations. This study, too, has several limitations both based on data availability as well as other considerations. Below I reflect on the limitations and what future research could take into account when studying foundation-grantee relationships, whether in the environmental sector or other sectors.

First of all, as I stated earlier in the text, I chose to test the selection model using political and sociological explanations. I eschew financial measures, such as fundraising expenses or program efficiency (Ashley & Faulk , 2010; Thornton, 2006), because these are one-dimensional measures that do not get to the multidimensional political, social, and ideational motivations underlying the selection process. From a social movement perspective, it seems as if foundations might be more concerned in their selection decisions with ideological congruency or goal orientation of grantees beyond grantees' financial performance.

Beyond the economic consideration that were not included in this study, other explanations – such as network characteristics, issues addressed, receiving past grants, and eligibility criteria – might influence foundation selection decisions. For example, personal networks and the selection of likeminded (homophilly) (McPherson & Smith-Lovin, 1987), and the social and cultural capital of leaders within organizations can be influential in mobilizing resources. Inter-organizational networks, too, can determine the level of competition among NGOs, and the level of collaboration with foundations. Eligibility criteria set by foundations in the grant application process can become a de facto selection tool that includes some and excludes others based on foundation

preferences. Examination of eligibility criteria is difficult to measure in a quantitative analysis and has to be explored qualitatively. All these potential considerations can be tested in the future:

Amount of foundation funding received by each organization is another direction that should be considered in future analysis. While the distribution is likely to be highly biased towards the larger, mainstream national ENGOs, it will give perspective on the wide differences between small and large environmental organizations in Israel. Some of my findings with regards to the relatively balanced impact of structural variables, size, geography would have been more manifested had the amount of funds been tested (as the dependent variable).

Received grants in previous years. A measure of whether or not the organization received foundation grants in the past is another idea that should be considered. Since data is cross-sectional, I did not take into account contacts with foundations in past years, but previous research has shown that this measure could influence findings. This will allow controlling for the temporality of one-time foundation support to small grassroots ENGOs. Thus, even following this study up and collecting data every two or three years, might provide us with longitudinal data to understand the causal relationships that cannot be ascertained form the current cross sectional data.

General operation and project-specific. More nuanced future analysis can involve the distinction between grants for general operations and those allocated for specific projects. Project-specific grants might impact the grantee's selection outcome differently than if the grantee was searching for operational funds. How would the selection criteria differ when foundations offer grants for specific projects versus overall support that is untied to any particular project?

The "supply side": The study was conducted from the perspective of the grantees side of the foundation-ENGOs relationship: Data was collected from the organizations, interviews were held with organizational representatives, and the variables explored pertained to ENGO organizational characteristics. This leaves open the possibility of subsequent study of the foundation side of the relationship. Such subsequent study can accomplish several goals. First, it can examine whether foundations are aware of the criteria and biases in their selection decisions

as identified in this study. Second, it can examine the types and characteristics of the supporting foundations because this study paid only minimal attention to the identity, types, and characteristics of the supporting foundations. For example: whether or not a grant-making foundation is European, Israeli, or Jewish-American, whether or not the foundation's grants are exclusively environmental or generalist (with a broad giving portfolio), and whether or not giving to Israel causes is a major part of the foundation's giving portfolio – these are all foundation characteristics that might influence selection decisions.

Overall, conducting a study about the foundation perspective is a challenging task given that foundation population is harder to access and recruit as they are not always transparent, collaborative, or accessible with regard to their decision-making processes (Fleishman, 2007). Another challenge for accomplishing such task is the blurring boundaries of foundation identity when it comes to the source of funding. Many American Jewish foundations have a representative in Israel, and some are also legally registered in Israel as nonprofit organization. However, the source of funding is still North American, so should these foundations be considered American or Israeli? There are also several grant-making entities contributing to Israeli ENGOs that it is not clear whether or not they should be defined as foundations and included in analysis. Another example: should grants originating from sources like the Jewish Agency For Israel (JAFI) or the Jewish Federations across North America be considered as foundation giving? One possible solution is to categorize these philanthropic entities as *community foundations* and thus include them in the analysis.

ENGOs = SMOs? While I started this study with several assumptions about the identity of ENGOs, perhaps some of these assumptions should be revisited in light of the findings. For example, the association of environmental groups with social movement organizations (SMOs) and my reliance on social movement theories for hypothesis testing should be expanded if we wish to look at the entire arena of organizations making environmental claims. Perhaps not all ENGOs organizations can be labeled as SMOs. The survey results showed that some ENGOs are clearly member-associations; this has also been reflected in the typology of foundation-grantee relations. To some extent, the group of "outsiders" is part of the typology because they

prefer to rely on self-generated resources more than on foundation funds. This is grounded in their identity as membership-oriented organizations and less so in typical SMO characteristics.

APPENDIX 1 – THE SURVEY INSTRUMENT

Part 1 - Contact details and general information

p1q1. Contact person
- **a** First Name:
- **b** Surname:
- **c** Email address:
- **d** Phone

p1q2. Organizational info
- **a** Name in Hebrew:
- **b** Name in English:
- **c** Address:
- **d** Phone:
- **e** Email address:
- **f** Website [if exists]:

p1q3. Organization's Director: Name + Educational background:

p1q4. Chair of the Board of Directors
- **a** Name:
- **b** Profession:
- **c** Active since year:

p1q5. Please list the organization's board members:

p1q6. Is the Organization registered as a public organization (Amuta)?
1-Yes // 0-No

p1q7. Public Organization (Amuta) Number _____

p1q8. Is the Organization known as a non-profit organization? (**מלכ"ר**)
1-Yes // 0-No

p1q9. Is the Organization tax-deductible according to section 46 of the Income Tax Ordinance?
1-Yes // 0-No

Part 2 – The establishment of the organization

p2q1. Year that activities began _____

p2q2. What was the reason for the organization's establishment:
1- Reactive (response to an environmental problem/hazard)
2- Proactive (promotion of an idea or action)

p2q3. What was the mode of establishment [choose all that apply]
- **a** Initiative of an individual or a group of people 1-Yes // 0-No
- **b** Opportunity for funding 1-Yes // 0-No
- **c** Split-off from another organization 1-Yes // 0-No
- **d** Other [please specify]: _____ 1-Yes // 0-No

Part 3 – The vision and goals of the organization:

The following questions are open questions; please keep your answers short -- no more than 3 lines.

p3q1. what is the vision of the organization: [please fill in] _____

p3q2. what are the practical goals of the organization: [please fill in] ____

p3q3. What are the three objectives with the highest priority of the organization for the next two years?

a Objective 1: _____
b Objective 2: _____
c Objective 3: _____

p3q4. Please rate on a 5-point scale how the organization identifies with each of the following [environmental] paradigms:

	In no way identifies	Slightly identifies	Moderately identifies	Identifies	Greatly identifies
a Sustainable development	1	2	3	4	5
b Nature conservation	1	2	3	4	5
c Environmental justice - fair share of environmental resource	1	2	3	4	5
d Integrating economic tools in environmental policy	1	2	3	4	5
e Env. technology, develop. & implementation	1	2	3	4	5
f Public health	1	2	3	4	5
g Ensuring individual rights to a good environment.	1	2	3	4	5
h Anti-globalization	1	2	3	4	5
i Love of the homeland	1	2	3	4	5

p3q5. Please rate on a 5-point scale, what is the amount of activity your organization invested in each of the arenas in the table below:

	1 – Not active	2	3	4	5 – Very active
a International	1	2	3	4	5
b Middle East	1	2	3	4	5
c National	1	2	3	4	5
d Regional (within Israel)	1	2	3	4	5
e Local	1	2	3	4	5

p3q6. If you answered "Regional (within Israel)", please mention in what geographical part of Israel is the organization mostly active?

1) South
2) Central region (Tel Aviv and surroundings)
3) Jerusalem area
4) Haifa and surroundings
5) North (Golan, Galilee)
6) The entire country

Part 4 – Definitions of the organization

p4q1. Which of the following definitions describes the Organization most accurately? [Check all that apply]

a National advocacy group 1-Yes // 0-No
b Local organization / Community-based organization 1-Yes // 0-No
c Local action committee 1-Yes // 0-No
d Coalition (the members are other organizations) 1-Yes // 0-No
e Activist group 1-Yes // 0-No

f	Faith-based organization	1-Yes // 0-No
g	Research institute	1-Yes // 0-No
h	Think tank	1-Yes // 0-No
i	Educational institute	1-Yes // 0-No
j	Educational organization	1-Yes // 0-No
k	Professional organization	1-Yes // 0-No
l	Volunteer group	1-Yes // 0-No
m	Community garden	1-Yes // 0-No
n	Other [please specify]: ___	1-Yes // 0-No

p4q2. Does the organization have chapters / offices other then the main office?
1-Yes // 0-No

p4q3. If "Yes," How many chapters_____

p4q4. Is the organization a member in a formal coalition?
1-Yes // 0-No
[if "No"→ skip the next question]

p4q5. Names of coalitions the organization is active in

a Coalition 1: _____ _____
b Coalition 2: _____ _____
c Coalition 3: _____ _____
d Coalition 4: _____ _____

p4q6. Are there any cases where your organization has been part of an ad hoc cooperation with other organizations?
1-Yes // 0-No
[if "No"→ skip the next question]

Please list names of cooperating organizations and types of cooperation involved:

Name of organization	Reason for cooperation	Type / means of cooperation	Starting year	Ending year /	OR / continues
					1-Yes // 0-No
					1-Yes // 0-No
					1-Yes // 0-No
					1-Yes // 0-No

Part 5 – Members of your organization and the board of directors:

p5q1. How many people are active today in the regular programs of the organization?
1) Less than 20
2) 20-50
3) 51-100
4) 101-500
5) 501-1000
6) 1001-5000
7) More than 5000

p5q2. How many people participated in the organization's activity:

a At the first year of activity: _____
b 10 years ago: [fill in 0 if N/A or if the organization was not active yet]
c 5 years ago: [fill in 0 if N/A or if the organization was not active yet]

p5q3. How many registered members are in the organization?

1) None
2) Up to 50
3) 51 to 100
4) 101-500
5) 501-1000
6) 1001-5000
7) More than 5000

p5q4. Please fill in the rate of involvement of the members in the following activities

	None	Up to a ¼ of members	Between a ¼ and ½ of members	More than ½ of members but not all	All
Pay membership fees	1	2	3	4	5
Attend conferences & activities	1	2	3	4	5
Volunteer periodically	1	2	3	4	5
Volunteers regularly	1	2	3	4	5

p5q5. Which of the following definitions best fits to describe the identity of your members? [check all that apply]

a Neighborhood activists/ residents of the region 1-Yes // 0-No
b A community suffering from environmental hazards / environmental threat 1-Yes // 0-No
c Professionals 1-Yes // 0-No
d Academics 1-Yes // 0-No
e Students 1-Yes // 0-No
f Alumni of a shared project/ study program 1-Yes // 0-No
g A particular ethnic group 1-Yes // 0-No
h Cannot be identified 1-Yes // 0-No
i Other [please specify]: _____ 1-Yes // 0-No

p5q6. Are the members of the organization mostly:

1) All citizens
2) Jews
3) Jews and Arabs
4) Arabs
5) Membership cannot not be generalized
6) Other [please specify]: _____

p5q7. What is the average age of the active people in your organization?

1) Youth
2) 20-30
3) 31-40
4) 41-60
5) Older than 60
6) Age cannot be generalized

p5q8. How are members of the board chosen?

1) Elections at an annual general meeting
2) No elections -- whoever is interested can become a board member
3) The board appoints itself
4) Other [please specify]: _____

p5q9. The board of directors meets:

1) Less than once a year
2) Once a year

3) Quarterly
4) Once a month or more frequently

p5q10. Please state to what extent members of the board take part in the following activities:

Determine / involved in…	1 – Never	2 - Almost never	3 - Sometimes	4 - Usually	5 - Always
Organizational policy	1	2	3	4	5
Budget management	1	2	3	4	5
Choosing new projects	1	2	3	4	5
Staff recruitment	1	2	3	4	5
Choosing modes of action / strategies	1	2	3	4	5
Initiating new activities	1	2	3	4	5

Part 6 – Budget and other activities

p6q1. What is the total budget of the organization
1) The organization works with no formal budget
2) Up to 25,000 NIS
3) 25,001-100,000 NIS
4) 100,001-500,000 NIS
5) 500,001-3,000,000 NIS
6) Over 3,000,000 NIS

p6q2. Does your organization have projects that are not environmental?
1-Yes // 0-No
[if "Yes"→ Please specify]

p6q3. Where is most of your work carried out?
1) Independent office
2) Home office → if this option is chosen, skip the next question
3) Shared office
4) Other [please specify]: _____

p6q4. Is the office?
1) Owned by the organization
2) Rented
3) Donated (ex. by city council, corporation, other)

Part 7 – Human resources in the organization

p7q. Please fill in the total number of positions in your organization.
A half-time position counts as 0.5, and ¼ of position as 0.25, and so on (the total number can add up, for example, to 3.75 positions):

p7q1-16. Please fill in the number of employees working in each of the positions below.
[for example, of there are 3 community workers working for ¼ time, please write '3' under

	Full time	½ time < x < full time	¼ < x < ½ time	x < ¼
p7q1. Managers				
p7q2. Project coordinators				
p7q3. Finance / Book keepers				
p7q4. Fundraisers				
p7q5. Economists				
p7q6. Lawyers				
p7q7. Scientists				
p7q8. Planners / architects				

p7q9. Community work coordinators				
p7q10. Community workers				
p7q11. Educators				
p7q12. Media (e.g., spokesperson)				
p7q13. Computer support staff				
p7q14. Office workers				
p7q15. Intellectuals/ artists/ philosophers				
p7q16. Other				

p7q17. Does your organization hire freelancers?
1-Yes // 0-No

p7q18. if "Yes"→ Please specify in what areas does the organization hire freelancers:

Part 8 – Funding Sources of your organization

(please refer to fiscal year 2009 if possible)

p8q1. Does the organization charge membership fees?
1-Yes // 0-No

p8q2. Please mark the % of income for each of the following sources

	% of organizational income
Individual contributions from Israel	
Individual contributions from abroad	
Foundation grants – General support	
Foundation grants – Project specific	
Fees for services / goods (also Gov.)	
Government grants - Israel	
Grants from foreign entities or embassy	
Local government grants – Israel	
Investment income	
Business enterprise	
Membership fees	
Corporate donations	
Legacies / endowments	
Other incomes _____	
Total=	100%

p8q3. If one of your sources is a government grant, please state which body granted the money:

3.1.1. _____ _____
3.1.2. _____ _____
3.1.3. _____ _____

p8q4. Please mark the foundations contributing to your organization

a The Green Environment Fund (New Israel Fund, Dorot Foundation, Nathan Cummings Foundation, and the Andrea and Charles Bronfman Philanthropies)	1-Yes // 0-No
b The Sheli Fund	1-Yes // 0-No
c The Goldman Fund	1-Yes // 0-No
d The Beracha Foundation	1-Yes // 0-No
e Yad HaNadiv (Rothschild Foundation)	1-Yes // 0-No
f The Abraham Fund Initiatives	1-Yes // 0-No
g The Jewish Agency's Partnership 2000 program	1-Yes // 0-No

h Keren Kayemet Le-Israel – Jewish National Fund (KKL-JNF)	1-Yes // 0-No
i Gandyr Foundation	1-Yes // 0-No
j Ford Foundation	1-Yes // 0-No
k Pratt Foundation	1-Yes // 0-No
l Porter Foundation	1-Yes // 0-No
m The Heinrich Boell Foundation	1-Yes // 0-No
n Ministry of Environmental Protection	1-Yes // 0-No
o Government inheritance fund	1-Yes // 0-No
p Other [please specify]: _____	1-Yes // 0-No

p8q5. Assets held by the organization

1) The organization does not have any savings
2) Up 10% of the annual budget
3) 10%-25% of the annual budget
4) 26%-100% of the annual budget
5) More than 100% of the annual budget

p8q6. From the point of view of your organization's revenues, the year 2009 was:

1) A normal year
2) A weak year (downtrend)
3) A good year (uptrend)

p8q7. Compared to 2009, what is the revenue trend for the year 2010

1) Budgets are the same
2) Downtrend
3) Uptrend

Part 9 – The substantive areas of organizational activities:

Please rate, on a 5-point scale, to what extent your organization is active in one of the following environmental issues:

	1 – Not at all	2 – Modestly	3 – Somewhat	4 – Quite active	5 – Extremely active
p9q1. Water quality					
p9q2. Desertification					
p9q3. Energy					
p9q4. Climate change					
p9q5. Air quality					
p9q6. Population growth					
p9q7. Solid waste					
p9q8. Toxic/hazardous materials					
p9q9. Soil quality					
p9q10. Sea & coastal protection					
p9q11. Soil erosion					
p9q12. Nature protection & biodiversity					
p9q13. River restoration					
p9q14. Transportation					
p9q15. Local economy					
p9q16. Environmental economics					
p9q17. Environmental planning					
p9q18. Open spaces					
p9q19. Green building					

p9q20. Agriculture & food					
p9q21. Changing consumption habits					
p9q22. Sustainability					
p9q23. Public health					
p9q24. Environmental justice					
p9q25. Democracy & public participation					
p9q26. Urban sustainability/New Urbanism					
p9q27. Fare trade					
p9q28. Judaism & environment					
p9q29. Coexistence & peace					
p9q30. Arts & culture					
p9q31. Other _____ [text]					
p9q32. Other _____ [text]					

Part 10 – Your organization's strategies of operation:

p10q1. Please mark the percentage that each of the strategies below constitutes of your organization's work. The total should sum up to 100%

a Advocacy & lobbying in the Knesset, government offices, and local authorities	
b Economic assessments / cost- benefit analyses	
c Planning tools	
d Data collection from Israel and abroad to affect policy change	
e Scientific research	
f Scientific monitoring	
g Legal action	
h Environmental Impact Assessments, risk assessment	
i Demonstration of (energy saving / sustainable) technologies	
j Physical projects (e.g., community garden, maintenance / adoption of a site)	
k Environmental activism	
l Media utilization	
m Environmental education for youth	
n Public awareness, seminars, teachings for adults	
o Leadership training	
p Community activities (happenings, organic markets, exchange)	
Total	100%

p10q2. To what extent did you attract the media?

Not at all				To a large extent
1	2	3	4	5

p10q3. If you have attracted media coverage, what form did it take?

1) National news
2) Local news

p10q4. What were the means of media you attracted

	Yes	No
a Television	1-Yes // 0-No	

b	National newspapers	1-Yes // 0-No
c	Local newspapers	1-Yes // 0-No
d	News on the web	1-Yes // 0-No
e	Blogs and/or websites of the organization	1-Yes // 0-No
f	Social network (such as Facebook)	1-Yes // 0-No
g	Other _____	1-Yes // 0-No

p10q5. On a scale from 1 to 10, please define the nature of your activities:

Short term									Long term
1	2	3	4	5	6	7	8	9	10

p10q6. Please rate the extent to which activity is intended to affect / reach different sectors

	1 Not at all	2 Minimally	3 Somewhat	4 Much	5 Extremely
a Private individuals					
b Business sector: Investment groups (e.g., banks)					
c Corporations					
d International bodies					
e The Panning System					
f The Knesset					
g Government offices					
h Local authorities					
i Local community					
j General public					

Part 11 – Challenges your organization is presently facing

p11q1. How challenging does the organization find the activities below?

	1 Not at all	2 Minimally	3 Somewhat	4 Much	5 Extremely
a Fundraising					
b Establishing an organizational infrastructure					
c Contacting public officials					
d Contacting authorities					
e Lobbying, exercising political pressure					
f Filing lawsuits					
g Promoting messages via the media					
h Receiving information					
i Receiving professional advice/ knowledge/ training					
j Recruiting members					
k Contacting members					
l Disseminating information					

p11q2. Are there any other areas of activity that your organization is challenged in?

1-Yes // 0-No
[if "Yes"→ Please specify]:

p11q3. If the organization had a larger budget, in what areas would it expand its activities?

	1 Not at all	2 Minimally	3 Somewhat	4 Much	5 Extremely
a Fundraising					
b Establishing an organizational infrastructure					
c Contacting public officials					
d Contacting authorities					
e Lobbying, exercising political pressure					
f Filing lawsuits					
g Promoting messages via the media					
h Receiving information					
i Receiving professional advice/ knowledge/ training					
j Recruiting members					
k Contacting members					
l Expanding professional staff					
m Raising salaries for employees					
n Publicity					
o Disseminating information					
p Technology (organizational set up, internet, social network)					

p11q4. Are there any other activities, besides what was mentioned, about which you would like to expand?
1-Yes // 0-No
[if "Yes"→ Please specify] text for "Yes":

Part 12 - the effect of foundations on the environmental activities:

p12q1. Of the following foundations, please list 5 who you think have contributed most to promoting environmental work in Israel?

a Green Environment Fund (New Israel Fund, Dorot Foundation, Nathan Cummings Foundation, Andrea and Charles Bronfman Philanthropies, & the Morningstar Foundation)	1-Yes // 0-No
b The Sheli Fund	1-Yes // 0-No
c The Goldman Fund	1-Yes // 0-No
d The Beracha Foundation	1-Yes // 0-No
e Yad HaNadiv (Rothschild Foundation)	1-Yes // 0-No
f The Abraham Fund Initiatives	1-Yes // 0-No

g	The Jewish Agency's Partnership 2000 program	1-Yes // 0-No
h	Keren Kayement Le-Israel- Jewish National Fund (KKL-JNF)	1-Yes // 0-No
i	Gandyr Foundation	1-Yes // 0-No
j	Ford Foundation	1-Yes // 0-No
k	Pratt Foundation	1-Yes // 0-No
l	Porter Foundation	1-Yes // 0-No
m	The Heinrich Boell Foundation	1-Yes // 0-No
n	Government inheritance fund	1-Yes // 0-No
o	Ministry of Environmental Protection	1-Yes // 0-No
p	Other [please specify]: _____	1-Yes // 0-No
q	Other [please specify]: _____	1-Yes // 0-No

Part 13 – Ideas for changing / improving the Israeli environmental movement

To what extent do you agree with each of the following statements? Please try to refer to the position that your Organization would take

	1 Strongly disagree	2 Disagree	3 Moderately agree	4 Agree	5 Strongly Agree
p13q1.	The environmental movement today does not effectively engage all government ministries.				
p13q2.	The environmental movement does need to deal with the relationship between health and the environment. That's not its role.				
p13q3.	The environmental crisis is a symptom of a social crisis; the environmental movement does not focus enough on the social aspects of the environmental crisis				
p13q4.	Environmental organizations need to grow and strengthen their volunteer cadre in order to promote and be more effective in dealing with environmental problems.				
p13q5.	Relative to the resources at their disposal, environmental organizations today do not invest enough in learning and professional training				
p13q6.	When an important environmental value is in danger, it is legitimate to move to radical activism and civil disobedience.				
p13q7.	In order to achieve significant environmental successes, environmental organizations need to invest more in enterprises and long term projects				
p13q8.	In order to achieve significant environmental successes, environmental organizations need to invest more in short-term projects with visible / clearly seen results				
p13q9.	The problem of *environmental justice* in Israel is very severe. Disenfranchised populations suffer from environmental hazards more than established populations do.				
p13q10.	More collaboration should take place between the local and national environmental organizations				
p13q11.	Environmental organizations need to focus more on local issues and put less time and effort in global issues, such as climate change				
p13q12.	One of the main problems in environmental policy is the lack of adequate environmental representation in the Knesset				
p13q13.	Environmental awareness is not high enough among the general public, and should be a main focus of the environmental movement				
p13q14.	Compared to the energy invested in national policy advocacy, environmental organizations do not put enough effort in changing public attitudes and behavior, green consumption etc.				
p13q15.	Environmental organizations need to put a greater emphasis on the issue of "over population" in confronting the public and decision makers.				
p13q16.	If environmental organizations would make a greater effort, it would be possible to				

	receive larger donations for environmental activities from Israeli donors.
p13q17.	The Ministry of Environmental Protection usually adopts good environmental positions.
p13q18.	The Ministry of Environmental Protection usually enforces regulations and environmental law appropriately.
p13q19.	Environmental organizations today tend to take extreme positions that in the long run prove to be less effective.
p13q20.	It can be said that overall, environmental quality in Israel is improving in recent years.
p13q21.	The environmental movement suffers from a lack of professional knowledge, and lacks tools to properly combat environmental threats, leading to many lost battles.
p13q22.	The main obstacle facing the environmental movement is lack of funding.
p13q23.	Environmental organizations need to talk more in more 'economic' terms and generate better economic data to support their position
p13q24.	The environmental movement needs to move into development of more income generating activities
p13q25.	The environmental movement needs to establish more local funding sources and be less dependent on international funding.

Part 14 – Volunteers in the Organization

p14q1. Are there volunteers in the organization?
1-Yes // 0-No

[if "no" → skip to the next part]

p14q2. How dependent is the organization on volunteer work?

Not dependent at all				To a large extent
1	2	3	4	5

p14q3. Do volunteers get involved in all activities conducted by your organization, including office administration and management?
1-Yes // 0-No

p14q4. What activities do the volunteers carry out? [Check all that apply]

- **a** Professional tasks such as economic analyses, lawsuits 1-Yes // 0-No
- **b** Professional consulting 1-Yes // 0-No
- **c** Scientific research 1-Yes // 0-No
- **d** Environmental activism 1-Yes // 0-No
- **e** Public education activities, including workshops and teachings 1-Yes // 0-No
- **f** Coordination, logistics 1-Yes // 0-No
- **g** Physical projects (such as alternative building, community garden) 1-Yes // 0-No
- **h** Fund raising 1-Yes // 0-No
- **i** Management 1-Yes // 0-No
- **j** Other [please specify]: _____ 1-Yes // 0-No

p14q5. What does the organization do in order to retain connections with its volunteers? [check all that apply]

- **a** The organization does nothing 1-Yes // 0-No
- **b** Social gatherings 1-Yes // 0-No
- **c** A newsletter 1-Yes // 0-No
- **d** Takes up only short-term projects 1-Yes // 0-No
- **e** Holds workshops and teachings 1-Yes // 0-No
- **f** Offers discounts and special promotions for the volunteers 1-Yes // 0-No
- **g** Offers activity expense reimbursements 1-Yes // 0-No

h Other [please specify]: _____ 1-Yes // 0-No

Part 15 - Improving Israel's environmental movement – final open questions

p15q1. What needs to be changed in the tactics and strategies of Israel's environmental organizations in order to promote more effective environmental policies? _____

p15q2. What can environmental organizations in Israel learned from their counterparts in other countries in order to improve their performance? _____

p15q3. What challenges and advantages does Israel's environmental movement have today that it did not have 10 years ago? _____

Thank you for your cooperation

APPENDIX 2 – METHODOLOGICAL CONSIDERATIONS

Comparison 1: Across Models

The full models from the logit and Tobit models are compared with three OLS models: 1) OLS on the entire sample, and 2) OLS with logged-transformed dependent variable, and 3) OLS among recipients of foundation funding only. By using OLS on the entire sample, I am avoiding the selection bias, but am still subject to estimation biases, which were addressed in the Tobit model. Regressing the covariates on OLS model with foundation recipients only suffers from selection bias (non-funded are not included) but less so from estimation bias (see distribution of this DV in Figure A2.1; the 0-value tail-end is gone and the distribution is relatively normal, with some concentrations in the two tails).

Figure A2.1: Distribution of the DV for the OLS model with funded organizations only

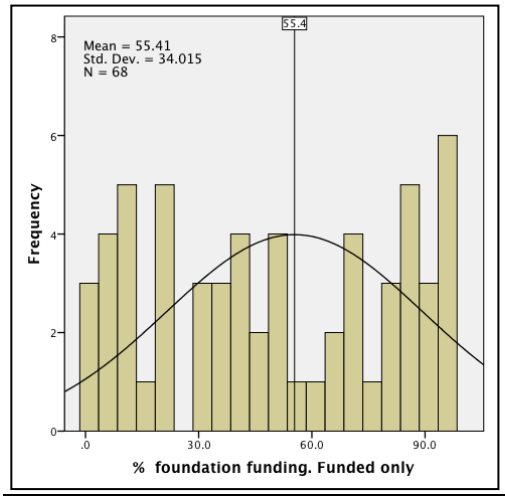


Table A2.1 suggests that despite differences in methodology, the findings of the logit, Tobit, and OLS are somewhat similar. The truncated model (Model 5) of funded organizations only is not significant on all measures, and is therefore not included in this description of the findings. On the one hand, there is statistically significant negative association with age, geographic orientation, and identification with the paradigm of nature conservation. On the other hand, positive association is recorded for organizations who are more likely to engage in advocacy

efforts vis-à-vis government actors. Level of dependence on volunteers is significant in all models, except the simple OLS (Model 4). The difference between the logit and the Tobit models are on two variables: size and membership. Both are significant in the 'funding success' model (logit) but shed away this significance in predicting the level of dependence. This is an interesting trend, as it suggests that structural parameters perhaps play a role in the selection decision, but it cannot explain variance in the level of dependence. Organizations with or without employees, for example, are equally as likely to be dependent on foundation funds.

Table A2.1: Full models compared: Regression on funding success and level of dependence on foundation funding (n=100)

	1: Logit Model	**2: Tobit Model**	**3: OLS Model**	**4: OLS with logged DV**	**5: OLS with funded (n=68)**
Variable	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)
Organizational demographics					
10. Age, ln	*-.74 (.43)	*-13.46 (8.17)	-7.13 (5.32)	**-.51 (.25)	.02 (6.47)
11. Geog. orientation	***-3.0 (1.00)	***-40.17 (14.85)	**-20.32 (9.48)	***-1.37 (.44)	2.46 (12.34)
12. Size, ln	**.97 (.47)	5.80 (7.32)	1.53 (4.78)	.28 (.23)	-4.97 (5.90)
Organizational structure					
13. Active members, ln	*.41 (.23)	3.43 (3.78)	1.55 (2.52)	.12 (.12)	-1.67 (2.86)
14. Vol. dependence	***.77 (.30)	**8.80 (4.29)	3.86 (2.81)	**.31 (.13)	-2.55 (3.28)
15. Legal status YN	.32 (.79)	12.0 (16.95)	8.36 (10.82)	.46 (.51)	4.60 (14.05)
16. Board size	.19 (.12)	2.25 (2.55)	1.53 (1.63)	.08 (.08)	.60 (1.90)
Strategy / Paradigm					
17. Target: Government	**.63 (.26)	**12.16 (4.78)	**7.14 (3.12)	**.38 (.15)	2.28 (3.80)
18. Paradigm: Nature conservation	*-1.17 (.63)	*-15.26 (7.96)	*-9.26 (5.27)	**-.55 (.25)	-1.70 (5.63)
Intercept	1.55 (3.13)	36.99 (49.05)	46.52 (32.31)	*3.05 (1.56)	*66.12 (35.37)
/sigma [a]		***51.56 (5.14)			
Min. Dof	229.3	55.1	61.7	67.4	43.6
Wald F-statistic	**2.21	**2.12	**1.74	***3.38	NS 0.66

Significance levels: * p <.1 ** p <.05 *** p <.01 || No. of imputations: *m=20* ||

Comparison 2: Across Missing Values Methods

Table A2.2 displays comparison of two methods for dealing with missing values in the survey: listwise deletion and multiple imputation. While the overall fit of the imputed models are

statistically significant, the listwise deletion models are not. In addition, SE of all variables is larger in the listwise deletion model, and the number of cases used is not efficient with n=72 only.

Table A2.2: Comparison of Multiple Imputation and listwise deletion Tobit models (DV - level of dependence)

	Tobit MI	**Tobit Listwise deletion**	**Logit MI**	**Logit Listwise**
Variable	Model 2 β (SE)	Model 3 β (SE)	Model 5 β (SE)	Model 4 β (SE)
Organizational demographics				
10. Age, ln	*-13.46 (8.17)	*-15.44 (8.41)	*-.74 (.43)	*-.99 (.55)
11. Geog. orientation	***-40.17 (14.85)	**-37.52 (15.24)	***-3.0 (1.00)	**-3.16 (1.25)
12. Size, ln	5.80 (7.32)	5.33 (6.67)	**.97 (.47)	**.91 (.46)
Organizational structure				
13. Active members, ln	3.43 (3.78)	.48 (3.68)	*.41 (.23)	.29 (.25)
14. Vol. dependence	**8.80 (4.29)	*7.67 (4.21)	***.77 (.30)	**.81 (.34)
15. Form./ Legal status YN	12.0 (16.95)	30.69 (20.35)	.32 (.79)	.93 (.99)
16. Cent./ Board size	2.25 (2.55)	1.53 (2.22)	.19 (.12)	.21 (.15)
Strategy / Paradigm				
17. Target: Government	**12.16 (4.78)	*9.56 (4.80)	**.63 (.26)	.39 (.28)
18. Nature conservation	*-15.26 (7.96)	-7.74 (7.24)	*-1.17 (.63)	-1.05 (.66)
Intercept	36.99 (49.05)	25.30 (46.73)	1.55 (3.13)	2.37 (3.51)
/sigma	***51.56 (5.14)	45.33 (4.87)		
Min. Dof || LR χ^2	55.1	* χ^2 (9)=14.70	229.3	***27.22
n	100	72	100	72
Wald F-statistic	**2.12	NS 1.59	**2.21	NS χ^2 (9)=13.82
Pseudo R^2		0.03		0.34
Log Likelihood		-281.41		-26.879

Significance levels: * p <.1 ** p <.05 *** p <.01 || No. of imputations: *m=20* ||
NS= Not significant

Comparison 3: Within Group Differences of The Non-Funded Group

ENGOs who do not receive foundation funding (the non-recipient group, Y_i=0) include two sub-populations: organizations with reported budget who received no foundation funding (n=21), and organizations with no formal budget, that inherently have no foundation funding either (n=11). These two sub-groups might differ in some of their characteristics and the differences show that the non-funded group is non-homogeneous. To justify aggregation of these two potentially different sub-groups, I tested the H_0 that the groups are different, using independent samples t-test. No significant differences were found on most variables except geographic orientation and legal status, which are expected to be different.

Table A2.3: T-test for differences within non-funded ENGOs

	Budget – YES (n=21)		**Budget – NO (n=11)**		**t-value & significance**
Variable	**Mean**	**SD**	**Mean**	**SD**	
Age	13.29	12.69	11.09	4.53	(-.55)
Geographic orientation (1=national)	.57	.51	.00	.0	(-5.16)**
Size	1.57	3.08	.00	.0	(-2.22)*
Active Members	2.33	1.28	1.50	.97	(-1.82) bl
Volunteer dependence (1-5)	1.75	1.24	1.00	.0	(-1.80) bl
Legal status (1=registered)	.95	.22	.36	.51	(2.42)**
Centralization / Board size	5.67	2.87	4.50	1.38	(-.96)
Target: government	2.97	1.12	2.44	1.04	(-1.16)
Nature conservation	4.70	.46	4.56	.32	(-.84)

* p < .05, ** p < .01

APPENDIX 3 – LIST OF SURVEY RESPONDENTS

1.	ACHLA
2.	Adam Teva V'din – Israel Union for Environmental Defense (**IUED**)
3.	Adam-Yam
4.	Arava Institute for Environmental Studies (**AIES)**
5.	Center for a Healthy Environment in the Arava (**AIES)**
6.	Al-Amal Hatikva Association
7.	Alma - Association for Environmental Quality
8.	Amakim Vemerhavim
9.	Arad Against Phosphate Mine in Sde Barir *
10.	Arad-Yehuda Group
11.	Ashdod Committee for Conservation of the Environment
12.	Association for Quality of Life and the Environment in Nahariya (**AQLEN**)
13.	Association for Advancement of Environmental Education & Recycling in the Galilee
14.	Bimkom: Planners for Planning Rights
15.	Blue and Green
16.	Bustan *
17.	Carmel Public Forum
18.	Cellular Antenna Forum
19.	Citizens for HaNevi'im St.
20.	Citizens for the Environment in the Galilee (**CFE**)
21.	Coalition for Public Health
22.	Council for a Beautiful Israel
23.	Council for Sustainable Development Kfar Saba
24.	Eco & Sustainable Tourism Israel *
25.	Ecocinema
26.	EcoOcean *
27.	EcoPeace /Friends of the Earth Middle East
28.	ECOST
29.	Ecoweek *
30.	Ein-Shemer Ecological Greenhouse
31.	Environmental Forum Midreshet Ben Gurion
32.	Eretz Carmel
33.	Galilee Society for Health Research & Service
34.	Green Beer Sheva
35.	Green Cell – Acre
36.	Green Course
37.	Green Movement
38.	Green Movement of Haifa *
39.	Green Now *
40.	Green Rahat *
41.	Green Triangle *
42.	Greenpeace *
43.	Greens of Megiddo *
44.	HaAmuta Leshimur Kisme Teva Venof - Kiryat Shmona
45.	Ha-Levav *
46.	Hapardes
47.	Haredim La'Sviva
48.	Hasviva
49.	Heshcel Center
50.	**IMMRAC** *
51.	International Birding & Research Centre in Eilat *
52.	Israel Bicycle Association
53.	Israel Energy Forum
54.	Israel Green Building Association (IISBE Israel) *
55.	Israel Green Building Council (**ILGBC**) *
56.	Israel Healthy Cities network
57.	Israel Palestine Center for Research & Information (**IPCRI**)
58.	Israel Society for Ecology & Environmental Quality Sciences
59.	Israeli Forum for Ecological Art
60.	Israeli Forum for Landscape Architecture (**IFLA**)
61.	Israeli Permaculture Organization *
62.	Israeli Society for Sustainable Economics
63.	Jewish Nature
64.	Kayak4all Zebulun
65.	Keshet
66.	Kurkar Hills Forum
67.	Life and Environment
68.	Link to the Environment
69.	Lotem, Integrated Nature Studies
70.	Council for Prevention of Noise & Air Pollution
71.	Movement for Israeli Urbanism (**MIU**)
72.	Naga: Environmental Protection Society
73.	Neighborhood Sustainability Center
74.	No Butts Land
75.	Ramot Favors the Environment
76.	Samson Riders Bike Club
77.	Save Adullam *
78.	Save Timna *
79.	Saving Palmahim Beach *
80.	Saving the Krayot Beaches
81.	Sayarut / Green Horizons
82.	Settling with the Environment *
83.	Shomera for A Better Environment
84.	Shomrei Hagan
85.	Society for Conservation of the Red Sea Environment
86.	Society for Preservation of Sites & Landscape in Modi'im
87.	**SPNI** Society for Protection of Nature in Israel *
88.	**SPNI** Green Forum – Tel Aviv *
89.	**SPNI** Open Landscape Institute
90.	Sustainable Jerusalem Coalition *
91.	Sustainable Negev
92.	Sviva Israel *
93.	Teva Naki
94.	Tevel B'Tzedek (The Earth in Justice)
95.	Three sycamores
96.	Transport Today & Tomorrow (**TTT**)
97.	Tzell Hatamar *
98.	Vertigo Dance Company / Eco-village
99.	Yesh Meain - Eco-educational Farm *
100.	Zalul

* An interview conducted, or an email correspondence was carried out, with representative of this ENGO.

APPENDIX 4 – RECRUITMENT LETTER

October 31, 2010

Greetings,

Before you is a questionnaire about the state of the environmental movement in Israel, whose goal is to offer a comprehensive picture of environmental organizations working in Israel today. The questionnaire is being conducted as part of a research initiative at Ben Gurion University that has been commissioned by the Goldsmith Fund for its use and that of other environmental foundations. The drafting of the questionnaire was done in consultation with an advisory committee that included leaders of Israeli environmental organizations, academic experts and representatives of central environmental foundations in Israel.

Almost a decade has transpired since the last comprehensive survey was conducted about environmental organizations in Israel and the present questionnaire has the potential to reveal new trends and directions in Israel's environmental movement along with identifying new needs among environmental organizations.

As part of the project's general policy of transparency, the information collected through the questionnaire about environmental organizations will be fully analyzed and included in a data base that will be posted on an internet site in conjunction with *Life and Environment*, the umbrella organization for environmental groups in Israel. Prior to any publication, the results of the survey will be disseminated to the organizations participating in the research with an opportunity for commenting and responding. If your organization does not want specific answers it gives posted on the website, it can inform the research staff in advance and we will see that it is not disseminated.

Completing the questionnaire requires time, but we believe that it is important in order to influence the results of the study and to fully map the environmental organizations active in Israel today. The questionnaire is offered interactively as part of a website, which will allow for easy calculation of the answers, something that will eliminate errors and expedite the process of data analysis. Please mark the correct answers or write in the appropriate space accordingly. In the event that a question is not clear, or in order to receive any additional information, you can write to our email address: greensurvey2010@gmail.com

You can also always contact the research team between the hours of 10:00 and 18:00 077-4503044.

We thank you in advance for your time in seriously filling out the questionnaire.

Entering the questionnaire requires filling in an email address which will be used as a code for future log-ins and will allow for re-entering the questionnaire any time independently.

* Letter was sent on behalf of Prof. Alon Tal, Shira Leon Zchout, Liat Oshri, The Desert Research Institutes, Ben Gurion University

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